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WOODROW WILSON
AND
WORLD SETTLEMENT

WOODROW WILSON AND WORLD SETTLEMENT

WRITTEN FROM HIS UNPUBLISHED AND PERSONAL MATERIAL

BY
RAY STANNARD BAKER

ORIGINAL DOCUMENTS
OF THE
PEACE CONFERENCE

VOLUME
III

GARDEN CITY NEW YORK
DOUBLEDAY, PAGE & COMPANY
1923

US 7004.511 (3)

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PRINTED IN THE UNITED STATES
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THE COUNTRY LIFE PRESS, GARDEN CITY, N. Y.

PREFACE

THIS volume, it is hoped, will contribute vitally to the documentary record of America at Paris, illuminating not only the inside history of the Peace Conference, but exhibiting in the form of original letters, memoranda, and minutes, the underlying processes through which the final decisions were reached. Nothing could more clearly present the workings of the President's mind, or his intimate relationships with his advisers, than many of these documents; here are exposed the veritable procedures by which the Americans worked out their policies and came to their decisions. Relatively few of the sixty-nine documents here included have been published before; and all are referred to or quoted from in Volumes I and II of this book. They are all from Woodrow Wilson's private files, his own records preserved at Paris, except the following:

From Norman H. Davis:
Documents 49, 54, 55.
From Bernard M. Baruch:
Documents 29, 47, 60.
From Professor Douglas Johnson:
Documents 31, 32, 40.
From Dr. Isaiah Bowman:
Document 36.
From Major General Mason M. Patrick:
Document 61.
From Ray Stannard Baker:
Documents 4, 5, 6, 16, 21, 35, 38, 39, 43, 68, 69.

It is a matter of great regret that the minutes of the Councils of Four, Ten, and Five, upon which so much of the narrative in Volumes I and II is based, have not yet been published. Their great bulk makes it wholly im-

possible, of course, to include them here, except for a few annexed reports and memoranda. The minutes of one important meeting of the Heads of States, however, that of March 20, before the Council of Four began functioning formally, is here presented in full in Document I. It will serve as an excellent specimen of the voluminous minutes of the Four as kept by the Secretary, Sir M. P. A. Hankey.

Since the League of Nations was so peculiarly an enterprise of the Americans at Paris with President Wilson as its chief sponsor the record of the origin and development of the Covenant is of special interest. The President methodically preserved every scrap of memoranda connected with the League, including not only his his own original notes, made upon his typewriter or in shorthand, but letters and memoranda from Colonel House, General Bliss, and other American advisers; and these are here presented as completely as possible.

A number of important unpublished documents of foreign origin—British, French, and Italian—are here included not only for the light they throw upon the methods of the Peace Conference, but more especially for the influence they had upon American policies at Paris.

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PART I

FOUNDATIONS OF THE PEACE CONFERENCE

WOODROW WILSON AND WORLD SETTLEMENT

DOCUMENT 1.

Minutes of the Secret Conference of the Four Heads of States on March 20, 1919, relative to the partition of Turkey under the secret agreements of 1916 and 1917.

Secret,
I. C.—163—*A.*

NOTES OF A CONFERENCE held in the Prime Minister's Flat at 23 Rue Nitot, Paris, on THURSDAY, MARCH 20, 1919, at 3 P. M.

Present:

United States of America	*British Empire*
President Wilson	The Rt. Hon. D. Lloyd George, M. P.
	The Rt. Hon. A. J. Balfour, O. M., M. P.
	General Allenby.
	General Bols [Botha?]
	Lt.-Col. Sir M. P. A. Hankey, K. C. B.

France	*Italy*
M. Clemenceau	M. Orlando
M. Pichon	Baron Sonnino
M. Berthelot	

Interpreter Prof. P. J. Mantoux

SYRIA AND TURKEY.

M. CLEMENCEAU suggested that M. Pichon should open the discussion.

M. PICHON began by explaining that the origin of this question was the agreement of May 1916 (Sykes-Picot) concluded between Great Britain and France in regard to Mesopotamia, Syria, and the adjoining regions. This agreement had two objects. First, to detach the Arabs from the Turks; second, to decide the claims of Great Britain and France. He then proceeded to explain the principles of the dispositions made on a map. The agreement fixed a zone colored blue within which France would exercise direct administration, and a zone colored red in which England would exercise direct administration. In addition, there was a zone colored white enclosed by a blue line within which France should exercise indirect administration, known as zone A, and a corresponding zone enclosed in a red line within which Great Britain would exercise indirect administration (zone B). At this stage it was unnecessary to say anything of the subsequent agreement with Italy. Within the A and B zones it was intended to favor the creation of an independent Arab State or Confederation of Arab States. In area A France, and area B Great Britain, should alone supply advisers or foreign functionaries at the request of the Arab State or Confederation of Arab States. In addition Great Britain was to be accorded the ports of Haifa and Acre. Haifa was to be a free port as regards the trade of France, and there was to be freedom of transit for French goods through Haifa by the British railway, for which facilities were to be given. Alexandretta, which fell in the blue area, was to be a free port as regards the trade of the British Empire, and there was to be freedom of traffic for British goods through Alexandretta by railway through the blue area. In addition, there were certain customs and political stipulations. Such were the general dispositions of 1916 which, he emphasized, were designated:

(1) to favor the establishment of an Arab State or

Confederation of States and to detach the Arabs from Turkey;

and

(2) To decide between the claims of Great Britain and France.

The above agreement, confirmed by an exchange of Notes between M. Paul Cambon and Sir Edward Grey (Lord Grey), declarations which had been made by Great Britain as early as 1912, in which Great Britain had disinterested herself and recognized the rights of France in Syria, subject only to Great Britain's insistence on keeping untouched her economic rights. In short, Great Britain had declared she had no political claims, but that her economic rights must remain intact in Syria.

Since the conclusion of the Agreement of 1916 there had been a long further correspondence and an exchange of many Notes between France and Great Britain concerning particularly various local interests. This brought us to the most recent period in which the French made, he would not say a protest against, but a series of observations in regard to, the British attitude in Syria. The whole series of these had recently been handed by the President of the Council to Lord Milner.

The incidents referred to in this correspondence were chiefly due to the disproportion in the relative contingents furnished by Great Britain and France to the campaign in Syria. It had only been possible for France to send a very small number of troops to Syria in consequence of the large demands made on her for the protection of French soil and to the prominent part played by her armies in Salonica. Great Britain, however, had interested herself far more in the Turkish campaigns, and had sent many troops which had been led by General Allenby. From that disproportion there resulted a great many incidents. Eventually, the President of the Council had thought it right to bring them before the British Government with a view to putting an end to the faction and the friction which now existed.

From all the declarations made by the British and French governments he only wanted to quote one, namely, that

of November 9, 1918. This was particularly important as showing the disinterested attitude of both governments towards the Arabs. This declaration had been communicated shortly after its issue by the French Ambassador in Washington to President Wilson.

Mr. LLOYD GEORGE interpolated at this point that this announcement, which was the latest expression of policy by the two governments, was more important than all the old agreements.

M. PICHON then read the declaration of November 9, 1918, as follows:—

> The aim which France and Great Britain have in view in prosecuting in the East the war let loose by German ambition is the complete and final liberation of the peoples so long oppressed by the Turks, and the establishment of national governments and administrations deriving their authority from the initiative and free choice of the native populations.
>
> In order to give effect to these intentions, France and Great Britain have agreed to encourage and assist the establishment of native governments and administrations in Syria and Mesopotamia already liberated by the Allies, and in the territories which they are proceeding to liberate, and they have agreed to recognize such governments as soon as they are effectively established. So far from desiring to impose specific institutions upon the populations of these regions, their sole object is to ensure, by their support and effective assistance, that the governments and administrations adopted by these regions of their own free will shall be exercised in the normal way. The function which the two allied governments claim for themselves in the liberated territories is to ensure impartial and equal justice for all; to facilitate the economic development of the country by encouraging local initiative; to promote the diffusion of education; and to put an end to the divisions too long exploited by Turkish policy.

As the difficulties between the two governments continued, and as the French Government particularly did not wish them to reach a point where ultimate agreement would be compromised, the President of the Council, on his visit to London in December, 1918, had asked Mr. Lloyd George to confirm the agreement between the two countries. Mr. Lloyd George had replied that he saw no difficulty about the rights of France in Syria and Cilicia, but he made demands for certain places which he thought should be included in the British zone, and

which, under the 1916 agreement, were in the French zone of influence, namely, Mosul. He also asked for Palestine. M. Clemenceau had, on his return to Paris, been desirous that this suggestion should be examined in the most favorable spirit. In consequence, he had ordered a scheme of agreement to be prepared, with the inclusion of Mosul in the British zone of influence, and this had been handed to the British Government on the 15th of February, 1919. The letter which accompanied this proposal had asked for a recognition of the historic and traditional case for including the regions claimed in the French zone. It had pointed out that there was no government in the world which had such a position as France in the regions claimed. It had given an exposition of the historic rights of France dating from the time of Louis XIV. M. PICHON continued by pointing out that French intervention in Syria had been frequent, the last instance being the case of the expedition organized in Syria and Lebanon in 1860, which had resulted in the establishment of the status of the Lebanon. France, he pointed out, had a great number of hospitals in Syria. There were a great number of schools in many villages, and some 50,000 children were educated in French primary schools. There were also a number of secondary schools and one great university in Beyrout. Moreover, the railway system of Syria was French, and included the Beyrout to Damascus line and the Tripoli-Homs line, which later it was proposed to prolong to the Euphrates and to unite with the Bagdad system. Altogether it was contemplated to have a system of 1,233 kilometers, of which 683 kilometers had already been constructed. Beyrout was entirely a French port. The gas and electricity works were French, and the same applied to the lighting along the coast. This was not the limit of French enterprise, for France had perfected the agriculture and the viticulture of Syria and had established many factories. No other country had anything like so complete a development in these regions. Hence, France could not abandon her rights. Moreover, France strongly protested against any idea of divid-

ing Syria. Syria had geographical and historic unity. The French Government frankly avowed that they did not want the responsibility of administering Palestine, though they would prefer to see it under an international administration. What they asked was:

(1) That the whole Syrian regions should be treated as a unit;

and

(2) That France should become the mandatory of the League of Nations of this region.

On January 30 of this year Mr. Lloyd George had urged the Conference to reconsider the distribution of troops in Turkey and the Caucasus with the object of lightening the heavy burden which fell on Great Britain. As a result, the Military Representatives had been asked to prepare a plan. The scheme of the Military Representatives provided for:

The occupation by France of Syria and Cilicia, with 2 divisions and 1 cavalry brigade;
The occupation by Great Britain of Mesopotamia, including Mosul, by 2 divisions and 1 cavalry brigade;
The occupation by Italy of the Caucasus and Konia.

The economy which Great Britain would achieve by this plan would have amounted to 10 divisions of infantry and 4 divisions of cavalry. The plan of the Military Representatives had been placed on the Agenda Paper of the Conference, but at Lord Milner's request the subject had been adjourned and had never been discussed.

About this time a conversation had taken place between M. Clemenceau and M. Pichon and Mr. Lloyd George and Mr. Balfour, as a result of which Sir Maurice Hankey had handed M. Pichon a map containing a British counter proposal to the French proposal of February 15. This scheme provided for a great limitation of the territory to come under French influence, both on the east and on the south as regards the Jebel Druse. The French Government was quite unable to take this project into consideration. Recently Lord Milner had left a map with

M. Clemenceau containing yet another project, which M. PICHON proceeded to explain, and which, he added, greatly circumscribed the French area. It was evident that the French Government could not look at this scheme either, even though they had the greatest desire to reach an agreement. No one felt more deeply than he what Great Britain and France owed to each other, and no one had a greater desire to reach an agreement. It was, however, quite impossible to accept a proposal such as that put forward by Lord Milner. It would be absolutely indefensible in the Chamber. It was enough for the Chamber to know that the Government were in negotiation with Great Britain for the handing over of Mosul to create a movement that had resulted in a proposal in the Budget Committee for a diminution of credits for Syria. This had not been a mere budget trick, but represented a real movement of public opinion. French opinion would not admit that France could be even partly excluded after the sacrifices she had made in the war, even if she had not been able to play a great part in the Syrian campaign. In consequence, the minimum that France could accept was what had been put forward in the French Government's note to Mr. Lloyd George, the object of which had been to give satisfaction to his desire for the inclusion of Mosul in the British zone.

Mr. LLOYD GEORGE said that M. Pichon had opened as though the question of the mandate for Syria was one between Great Britain and France. There was, in fact, no such question as far as Great Britain was concerned. He wished to say at once that just as we had disinterested ourselves in 1912, so we now disinterested ourselves in 1919. If the Conference asked us to take Syria, we should reply in the negative. The British Government had definitely decided this because otherwise it would be said afterward in France that they had created disturbances in order to keep the French out. Hence, the British Government definitely intended to have nothing to do with Syria. The question of the extent to which Great Britain and France were concerned was cleared up in the interview he had had with M. Clemenceau in

London, and at which he had said that he wanted Mosul with the adjacent regions and Palestine.

As there was no question between France and Great Britain in regard to Syria, we could examine the question in as disinterested a spirit as we could a Carpathian boundary to be decided in accordance with the general principles accepted by the Conference. He wished to make this clear before General Allenby said what he had to say. In regard to Mosul, he wished to acknowledge the cordial spirit in which M. Pichon had met our desires.

But if there was a French public opinion there was also a British public opinion, and it must be remembered that the whole burden of the Syrian campaign had fallen upon Great Britain. The number of French troops taking part in the campaign had been so small as to make no difference. Sometimes they had been helpful, but not on all occasions. The British Empire and India had maintained from 900,000 to 1,000,000 troops in Turkey and the Caucasus. Their casualties had amounted to 125,000, the campaign had cost hundreds of millions of pounds. He himself had done his best to induce M. Clemenceau's predecessors to take part in the campaign. He had also pressed Marshal Foch on the subject, and to this day he had in his possession a rough plan drawn up by Marshal Foch during an air raid at Boulogne. He had begged the French Government to coöperate, and had pointed out to them that it would enable them to occupy Syria, although, at the time, the British troops had not yet occupied Gaza. This had occurred in 1917 and 1918, at a time when the heaviest casualties in France also were being incurred by British troops. From that time onward most of the heavy and continuous fighting in France had been done by British troops, although Marshal Pétain had made a number of valuable smaller attacks. This was one of the reasons why he had felt justified in asking Marshal Foch for troops. He had referred to this in order to show that the reason we had fought so hard in Palestine was not because we had not been fighting in France. M. Pichon seemed to think that we were departing from the 1916 agreement in other respects, as well as in respect to Mosul

and Palestine. In fact, we were not. M. Pichon had omitted in his lucid statement to explain that the blue area in which France was "allowed to establish such direct or indirect administration or control as they may desire and as they may think fit to arrange with the Arab State or Confederation of Arab States" did not include Damascus, Homs, Hama, or Aleppo. In area A France was "prepared to recognise and uphold an independent Arab State or Confederation of Arab States . . . under the suzerainty of an Arab Chief." Also in area A France would "have priority of right of enterprise and local loans . . . and . . . shall alone supply advisers or foreign functionaries at the request of the Arab State or Confederation of Arab States." Was France prepared to accept that? This, however, was not a question between Great Britain and France; it was a question between France and an agreement which we had signed with King Hussein.

(*At this point* M. ORLANDO *and* GENERAL DIAZ *entered.*)

M. PICHON said he wished to say one word. In the new arrangements which were contemplated no direct administration whatsoever was claimed by France. Since the Agreement of 1916, the whole mandatory system had been adopted. If a mandate were granted by the League of Nations over these territories, all that he asked was that France should have that part put aside for her.

Mr. LLOYD GEORGE said that we could not do that. The League of Nations could not be used for putting aside our bargain with King Hussein. He asked if M. Pichon intended to occupy Damascus with French troops. If he did, it would clearly be a violation of the Treaty with the Arabs.

M. PICHON said that France had no convention with King Hussein.

Mr. LLOYD GEORGE said that the whole of the agreement of 1916 (Sykes-Picot) was based on a letter from Sir Henry McMahon to King Hussein from which he quoted the following extracts:—

The districts of Mersina and Alexandretta, and portions of Syria lying to the west of the districts of Damascus, Homs, Hama, and Aleppo, cannot be said to be purely Arab, and should be excluded from the proposed limits of boundaries. With the above modifications, and without prejudice to our existing treaties with Arab chiefs, we accept these limits of boundaries; and in regard to those portions of the territories therein in which Great Britain is free to act without detriment to the interests of her ally France, I am empowered, in the name of the Government of Great Britain, to give the following assurances and make the following reply to your letter:

"Subject to the above modifications Great Britain is prepared to recognize and support the independence of the Arabs within territories included in the limits of boundaries proposed by the Sherif of Mecca."—(Extract from a letter from SIR H. MCMAHON to KING HUSSEIN, Oct. 24, '14.)

M. PICHON said that this undertaking had been made by Great Britain (Angleterre) alone. France had never seen it until a few weeks before, when Sir Maurice Hankey had handed him a copy.

Mr. LLOYD GEORGE said the agreement might have been made by England (Angleterre) alone, but it was England (Angleterre) who had organized the whole of the Syrian campaign. There would have been no question of Syria but for England (Angleterre). Great Britain had put from 900,000 to 1,000,000 men in the field against Turkey, but Arab help had been essential; that was a point on which General Allenby could speak.

General ALLENBY said it had been invaluable.

Mr. LLOYD GEORGE, continuing, said that it was on the basis of the above quoted letter that King Hussein had put all his resources into the field which had helped us most materially to win the victory. France had for practical purposes accepted our undertaking to King Hussein in signing the 1916 agreement. This had not been M. Pichon, but his predecessors. He was bound to say that if the British Government now agreed that Damascus, Homs, Hama, and Aleppo should be included in the sphere of direct French influence, they would be breaking faith with the Arabs, and they could not face this. He was particularly anxious for M. Clemenceau to follow this. The agreement of 1916 had been signed sub-

sequent to the letter to King Hussein. In the following extract from the agreement of 1916 France recognized Arab independence:

> It is accordingly understood between the French and British Governments:
>
> (1) That France and Great Britain are prepared to recognize and uphold an independent Arab State or Confederation of Arab States in the areas A and B marked on the annexed map under the suzerainty of an Arab Chief.

Hence, France, by this act, practically recognized our agreement with King Hussein by excluding Damascus, Homs, Hama, and Aleppo from the blue zone of direct administration, for the map attached to the agreement showed that Damascus, Homs, Hama, and Aleppo were included, not in the zone of direct administration, but in the independent Arab State.

M. PICHON said that this had never been contested, but how could France be bound by an agreement the very existence of which was unknown to her at the time when the 1916 agreement was signed? In the 1916 agreement France had not in any way recognized the Hedjaz. She had undertaken to uphold "an independent Arab State or Confederation of Arab States," but not the King of the Hedjaz. If France was promised a mandate for Syria, she would undertake to do nothing except in agreement with the Arab State or Confederation of States. This is the *rôle* which France demanded in Syria. If Great Britain would only promise her good offices, he believed that France could reach an understanding with Feisal.

President WILSON said that he would now seek to establish his place in the Conference. Up to the present he had had none. He could only be here, like his colleague M. Orlando, as one of the representatives assembled to establish the peace of the world. This was his only interest, although, of course, he was a friend of both parties to the controversy. He was not indifferent to the understanding which had been reached between the British and French Governments, and was interested to

know about the undertakings to King Hussein and the 1916 agreement, but it was not permissible for him to express an opinion thereon. He would, however, like to point out that one of the parties to the 1916 agreement had been Russia, and Russia had now disappeared. Hence, the partnership of interest had been dissolved, since one of the parties had gone out. This seemed to him to alter the basis of the agreement. The point of view of the United States of America was, however, indifferent to the claims both of Great Britain and France over peoples unless those peoples wanted them. One of the fundamental principles to which the United States of America adhered was the consent of the governed. This was ingrained in the United States of America thought. Hence, the only idea from the United States of America point of view was as to whether France would be agreeable to the Syrians. The same applied as to whether Great Britain would be agreeable to the inhabitants of Mesopotamia. It might not be his business, but if the question was made his business, owing to the fact that it was brought before the Conference, the only way to deal with it was to discover the desires of the population of these regions.

He recalled that, in the Council of Ten, resolutions had been adopted in regard to mandatories, and they contained a very carefully thought out graduation of different stages of mandate according to the civilization of the peoples concerned. One of the elements in those mandates was the desire of the people over whom the mandate was to be exercised. The present controversy broadened out into very important questions. Cilicia, for example, from its geographical position, cut Armenia off from the Mediterranean. If there was one mandatory in the south, and another in the north of Armenia, there would be a great danger of friction, since the troublesome population lived in the south. Hence, the controversy broadened into a case affecting the peace of the whole world in this region. He hoped, therefore, that the question would be discussed from this point of view. If this were agreed to, he hoped that he might ask General Allenby certain questions. If the participation of M.

Orlando and himself were recognized as a matter of right and not of courtesy, the question he wanted to know was whether the undertaking to King Hussein, and the 1916 agreement, provided an agreement which would work. If not, and you asked his opinion, he would reply that we ought to ask what is the opinion of the people in the part of the world concerned. He was told that, if France insisted on occupying Damascus and Aleppo, there would be instant war. Feisal had said that he could not say how many men he had had in the field at one time, as it had been a fluctuating figure, but from the first to last he had probably had 100,000 men.

General ALLENBY said that he had never had so many at one time.

President WILSON said that, nevertheless, from first to last, France would have to count on having 100,000 troops against her. This would mean that France must send a large number of troops. He was greatly concerned in a fight between friends, since he was a friend of France and the friend of Feisal. He was very concerned to know if a "scrap" was developing. Hence, he asked that it might be taken for granted that this question was on the Council table, since it was one of interest to the peace of the world, and that it was not merely a question of agreement between France and Great Britain. The Turkish Empire at the present time was as much in solution as though it were made of quicksilver. Austria, at any rate, had been broken into pieces, and the pieces remained, but the Turkish Empire was in complete solution. The Councils of the world would have to take care of it. For his part he was quite disinterested, since the United States of America did not want anything in Turkey. They would be only too delighted if France and Great Britain would undertake the responsibility. Lately, however, it had been put to him that he must approach his own people on this matter, and he intended to try, although it would mean some very good talking on his part. He admitted that the United States of America must take the responsibilities as well as the benefits, of the League of Nations. Nevertheless, there was great antipathy in the United States of

America to the assumption of these responsibilities. Even the Philippines were regarded as something hot in the hand that they would like to drop. If we said to the French Government "Occupy this region," what would happen? He had a method to propose of finding out, which he would develop later.

Mr. LLOYD GEORGE suggested that General Allenby should be questioned at this point.

President WILSON asked the following question: "If before we arrive at a permanent settlement under the League of Nations we invite France to occupy the region of Syria, even as narrowly defined, what would the result be?"

General ALLENBY said there would be the strongest possible opposition by the whole of the Moslems, and especially by the Arabs. Shortly after the capture of Damascus, Feisal had been allowed to occupy and administer the city. He had said that he would like to be helped in the administration. A little later, after the setting up of the military administration in these regions, General Allenby had put French administrators in the blue area. When they arrived Emir Feisal had said that he could not retain the command of the Arab Army if France occupied the ports. He had said that it meant that he was occupying a house without a door, and it would be said that he had broken faith with the Arab nation. Feisal had originally asked if he could occupy Beyrout and the ports. General ALLENBY had replied in the affirmative, but had told him that he must withdraw when the allied armies came along, and he had done so. To Feisal's protests against the occupation by the French of places in the blue zone, General ALLENBY had replied that he himself was in charge of the administration, as Commander-in-Chief; and that the French officers, appointed as administrators must be regarded, not as French officers, but as allied military officers. Feisal had then said that he would admit it for the present, but would it last for ever? General ALLENBY had replied that the League of Nations intended to give the small nations the right of self-determination.

Feisal had insisted that "if put under French control" he would oppose to the uttermost. General ALLENBY had replied that at present there was no French control, but only the control of the Allies, and that eventually Feisal's rights would be considered. Soon afterwards he had visited Beyrout, and there and in other places deputations had come to protest against the French Administration. These had included various Christians, Orthodox and Protestants, as well as Mussulmans. General ALLENBY had again replied that it was not a French administration, but merely officers put in by himself as Allied Commander-in-Chief. Every time he had been in that country he had found the greatest opposition to French administration. He had done his utmost to make a *rapprochement* among the Arabs and the French, but without success. The French liaison officers did not get on well with the Arabs. M. Picot had been with him to Damascus and Aleppo and was perfectly conversant with the situation. M. Picot would say that General Allenby had done his best to create good feeling. Lately, Sir Mark Sykes had been to Beyrout, Aleppo, and Damascus with M. Picot, and had done his best. Nevertheless, the misunderstanding continued. If the French were given a mandate in Syria, there would be serious trouble and probably war. If Feisal undertook the direction of operations there might be a huge war covering the whole area, and the Arabs of the Hedjaz would join. This would necessitate the employment of a very large force. This would probably involve Great Britain also if they were in Palestine. It might even involve them in Egypt, and the consequences would be incalculable.

He had gone with M. Picot to Damascus and had seen there Ali Riza el Rikaby Pasha, the Governor of the territory to the east of Damascus. The administration had not been doing well. There was practically no Budget, and it had been necessary to give him advisers. General ALLENBY had given him two British advisers, Majors Cornwallis and Stirling. M. Picot had subsequently sent a very good man named Captain Cousse, to replace a liaison officer (Captain Mercier) who had been

there before [but] who had not got on with the Arabs because he had stood too much on his dignity. Even Captain Cousse, however, had not been able to get on well. Afterward, General Allenby had sent a British Financial Expert, and had invited M. Picot to send a French Financial expert. The British adviser, Colonel Graves, had coöperated with M. Moulin, the French adviser. They reported very badly on finance. There had practically been no budget. Then General ALLENBY had withdrawn Colonel Graves. M. Moulin was still there, but was meeting great difficulties owing to Ali Riza el Rikaby's dislike of the French administration. General ALLENBY had visited Damascus with M. Picot and had there interviewed Riza el Rikaby Pasha. General ALLENBY produced at the Conference a document containing the gist of the communication made by him to Riza el Rikaby Pasha. A copy of this document in Arabic and English had been left with Riza el Rikaby Pasha.

In reply to Mr. Lloyd George he said that at Damascus there was a brigade of infantry and two regiments of cavalry. The Sherifian troops were only used for police purposes, since the Sherifian army was still in process of formation.

(*At this point there was an adjournment.*)

President WILSON suggested that the fittest men that could be obtained should be selected to form an Inter-Allied Commission to go to Syria, extending their inquiries, if they led them beyond the confines of Syria. Their object should be to elucidate the state of opinion and the soil to be worked on by any mandatory. They should be asked to come back and tell the Conference what they found with regard to these matters. He made this suggestion, not because he lacked confidence in the experts whose views he had heard, such as Dr. Howard Bliss and General Allenby. These, however, had been involved in some way with the population, with special objects, either educational or military. If we were to send a commission of men with no previous contact with

Syria, it would, at any rate, convince the world that the Conference had tried to do all it could to find the most scientific basis possible for a settlement. The Commission should be composed of an equal number of French, British, Italian, and American representatives. He would send it with *carte blanche* to tell facts as they found them.

M. CLEMENCEAU said he adhered in principle to an inquiry, but it was necessary to have certain guarantees. The inquiry must not confine itself to Syria. Mandates were required for Palestine, Mesopotamia, and Armenia, and other parts of the Turkish Empire, as well as Syria. The peoples of these districts were not isolated. They were all connected by historical and religious and other links, including mutual feuds, and old quarrels existed between all of them. Without contesting what General Allenby had said, he wished it to be recorded, if there were a *procès-verbal*, that many Syrians were not Arab, and that if the Syrians were put under the Arabs they would revolt. He knew quite well the great share taken by Feisal in the Syrian campaign, and he thought that the British were also a little afraid of it. The whole inquiry would be an extremely delicate one. Orientals were very timid and afraid to say what was at the back of their minds. It was very difficult to get the real feelings of the people. It was very important, therefore, that the inquiry should not be merely superficial. Hence, he would ask for twenty-four hours of reflection before setting up the Commission. He might like to send some French Arabs there, as Feisal only represented one side of the Arab race. Moreover, Feisal was practically a soldier of England. That was a fact that all the world knew. He said he would revolt if the French were at Damascus, but, as a matter of fact, French artillery had recently been sent there and had been received quite well. He had made every effort to bring himself to agree with the principles propounded by President Wilson, but something must be said for the historical claims and for the efforts that nations had made in different regions. For example, insistence on an Arab outlet to the sea would destroy the claim of one nation in that part of the world. The

members of the Commission must be very carefully selected, and they must inquire into every Turkish mandate. Subject to these provisions he was prepared to accept President Wilson's proposal in principle.

Mr. LLOYD GEORGE said he had no objection to an inquiry into Palestine and Mesopotamia, which were the regions in which the British Empire were principally concerned. Neither would he object to an inquiry into Armenia, in which they were not so closely concerned.

President WILSON said he saw advantages in an unified inquiry into Turkish mandates.

Mr. LLOYD GEORGE said if this extension was to be given to the Commission it was essential it should get to work at once, as the burden of military forces in Turkey fell mainly on the British.

Mr. BALFOUR said that he felt these proposals might postpone the making of peace.

President WILSON said this was not so. For the purposes of peace all that was necessary to tell Turkey was that she would have nothing.

Mr. LLOYD GEORGE said that Turkey was entitled to know who would be the mandatory for Turkish territory.

President WILSON said it was rather that they ought to know how much was to remain Turkish.

Mr. LLOYD GEORGE said that the question of who was to be mandatory of Anatolia would make all the difference for the arrangements for Turkey.

President WILSON said that Turkey was entitled to know if she was to have territory of her own, and that other parts of Turkey were to be placed under the League of Nations. Subsequently she would be informed who would be her next-door neighbor.

Mr. LLOYD GEORGE said that he supposed that if the evidence were so overwhelming that, for example, the British Empire was ruled out of Mesopotamia, they would be free to consider whether they could take a mandate elsewhere in Turkey?

President WILSON said this was an administrative matter and not one of sovereignty. Turkey was entitled to knowledge on all questions affecting the sovereignty.

M. PICHON suggested that, in order to avoid delay, the Commission might divide into sub-commissions working in different sections.

Mr. BALFOUR asked whether it would be wise to include Western Anatolia in the purview of the Commission. Constantinople was mainly a military question (President Wilson said a strategic question), but south of the region which went with Constantinople came regions to which the Greeks laid claim.

Mr. LLOYD GEORGE said there was no suggestion that the Commission was to travel beyond Armenia.

At Mr. Lloyd George's request, President Wilson undertook to draft a Terms of Reference to the Commission.

PART II

THE OLD AND THE NEW DIPLOMACY: ORGANIZATION AND PROCEDURE

DOCUMENT 2.

Report made early in January, 1918, by the American Inquiry to President Wilson regarding "War Aims and Peace Terms." It was prepared by Dr. S. E. Mezes, David Hunter Miller, and Walter Lippmann. The President used this report in formulating six of his Fourteen Points. Stenographic notes which he made on the margin of this document (see facsimile, Volume I, p. 111) were translated by him for the author and appear in this volume in italic type in brackets at the head of paragraphs that were annotated in the text. (Typewritten original.)

THE PRESENT SITUATION

THE WAR AIMS AND PEACE TERMS IT SUGGESTS

OUR OBJECTIVES

The allied military situation and Berlin-Bagdad.

The Allies have had various opportunities to destroy Middle Europe by arms, to wit: the Russian invasion of Galicia, the protection of Serbia, the intervention of Rumania, the offensive of Italy, the expedition of Gallipoli, the expedition to Saloniki, the Mesopotamian campaign, and the Palestinian campaign. The use made of these opportunities has produced roughly the following results: The Russian Army has ceased to be an offensive force, and Germany occupies a large part of that territory of the Russian Empire which is inhabited by more or less non-Russian peoples; Rumania is occupied to the mouth of the Danube; Serbia and Montenegro are occupied; the Austrian and German are deep into Italian territory. As the Russian, Rumanian, Serbian, and

Italian armies cannot be expected to resume a dangerous offensive, the invasion of Austria-Hungary has ceased to be a possibility. The Allies hold Saloniki, which they are unable to use as a base for offensive operations. There is a danger that they may be driven from it. If they are able to hold it, and to keep it from Austrian hands, they have made a blind alley of one subordinate part of the Berlin-Bagdad project, which has always included a branch line to Saloniki, and then to the sea. By the capture of Bagdad they cannot only control the rich resources of Mesopotamia, but have made a blind alley of the main Berlin-Bagdad line, so far as that line was aimed to be a line of communication to the Persian Gulf as a threat against India. By the capture of Palestine the British have nullified a subordinate part of the Berlin-Bagdad scheme, that is, the threat to the Suez Canal. By the almost complete separation of Arabia from Turkey, the Turks have not only lost the Holy Cities, but another threat to the Red Sea has been removed. Germany has therefore lost the terminals of her project, and if Saloniki, Jerusalem, Bagdad, and Arabia remain in non-German hands the possibilities of defense against the politico-military portions of the Bagdad scheme exist.

The problem of Berlin-Bagdad.

The problem is therefore reduced to this: how effectively is it possible for Germany to organize the territory now under her political and military influence so as to be in a position at a later date to complete the scheme and to use the resources and the man-power of Middle Europe in the interests of her own foreign policy? She faces here four critical political problems: (1) The Poles; (2) the Czechs; (3) the South Slavs; and (4) Bulgaria. The problem may be stated as follows: if these peoples become either the willing accomplices or the helpless servants of Germany and her political purposes, Berlin will have established a power in Central Europe which will be the master of the continent. The interest of the United States in preventing this must be carefully distinguished before our objectives can become clear. It can be no

part of our policy to prevent a free interplay of economic and cultural forces in Central Europe. We should have no interest in thwarting a tendency towards unification. Our interest is in the disestablishment of a system by which adventurous and imperialistic groups in Berlin and Vienna and Budapest could use the resources of this area in the interest of a fiercely selfish foreign policy directed against their neighbours and the rest of the world. In our opposition to Middle Europe, therefore, we should distinguish between the drawing together of an area which has a certain economic unity, and the uses of that unity and the methods by which it is controlled. We are interested primarily in the nature of the control.

The chief binding interests in Middle Europe.

The present control rests upon an alliance of interest between the ruling powers at Vienna, Budapest, Sofia, Constantinople and Berlin. There are certain common interests which bind these ruling groups together. The chief ones are: (1) the common interests of Berlin, Vienna, and Budapest in the subjection of the Poles, the Czechs, and the Croats; (2) from the point of view of Berlin the present arrangement assures a control of the external affairs and of the military and economic resources of Austria-Hungary; (3) from the point of view of Vienna and Budapest it assures the German-Magyar ascendancy; (4) the interest that binds Sofia to the alliance lay chiefly in the ability of Germany to exploit the wrong done Bulgaria in the treaty of Bucharest; (5) the interest of Constantinople is no doubt in part bought, in part coerced, but it is also in a measure due to the fact that in the German alliance alone lies the possibility of even a nominal integrity for the Turkish Empire; (6) at the conclusion of the war, the greatest tie which will bind Austria-Hungary, Bulgaria, and Turkey to Germany will be the debts of these countries to Germany.

The disestablishment of a Prussian Middle Europe.

It follows that the objectives to be aimed at in order to render Middle Europe safe are the following:

1. Increased democratization of Germany, which means, no doubt, legal changes like the reform of the Prussian franchise, increased ministerial responsibility, control of the army and navy, of the war power and foreign policy, by representatives responsible to the German people. But it means something more. It means the appointment to office of men who represent the interests of south and west Germany and the large cities of Prussia—men who today vote Progressive, Centrist, or Social Democrat tickets—in brief, the men who stood behind the Bloc which forced through the Reichstag resolution of July.

2. In addition to increased democratization of Germany, we have to aim at an independent foreign policy in Austria-Hungary.

3. We must aim at preventing the military union of Austria-Hungary and Germany.

4. We must aim at the contentment and friendship of Bulgaria through a satisfactory solution of the Balkan frontiers.

5. We must aim at the neutralization and the internationalization of Constantinople and the Straits.

6. We must see that the control of the two military terminals of Berlin-Bagdad remain in the hands of an administration friendly to the western nations.

7. As a result of the accomplishment of the foregoing, we must secure a guaranteed autonomy for the Armenians, not only as a matter of justice and humanity but in order to reëstablish the one people of Asia Minor capable of preventing economic monopolization of Turkey by the Germans.

These being our objectives, what are our present assets and liabilities?

ASSETS.

Our economic weapon.

The commercial control of the outer world, and the possibility of German exclusion both from the sources of raw materials and the richer markets, and from the routes of communication, lie in our hands. The possibility of a continued commercial exclusion weighs heavily, in

fact, most heavily of all, upon the German mind at present, because upon the conclusion of peace a successful demobilization is possible only as there are raw materials and markets for the resumption of German industry. Without these the army would become a discontented and dangerous body. If the possibility of exclusion from economic opportunity is associated with a vision of a world coöperation realized, the double motives of fear and hope can be used upon the German people. *This is our strongest weapon, and the Germans realize its menace. Held over them it can win priceless concessions.* It should be noted that this weapon will be of special advantage after the peace conference has assembled. Our ability to protract the discussion at the industrial expense of Germany and to our own benefit, and will give us a bargaining power of great advantage. Skilfully handled, this asset can be used both to threaten and to lure them; and its appeal is well nigh universal, as the utterances and comment from Germany clearly show. To the dynasty and the ruling classes, it presents the most tangible threat of revolution, because it is obvious that the danger of revolution will be enormously increased upon the conclusion of peace, when the patriotic motive subsides. To the commercial classes it presents the obvious picture of financial ruin and of disorder. To the army it presents a picture of a long period following the conclusion of the war in which government will not dare to demobilize rapidly. To the poorer classes generally it presents the picture of a long period after the war in which the present hardships will continue.

II. Our assets in Austria-Hungary.

In Austria-Hungary we have a number of assets which may seem contradictory at first, but which can all be employed at the same time. There is the nationalistic discontent of the Czechs and probably of the South Slavs.

The increase of nationalistic discontent among the Czechs and the possibility of some kind of Poland will tend to break the political coalition which has existed between the Austrian Poles and the German Austrians.

On the part of the Emperor and of the present ruling powers in Austria-Hungary there is a great desire to emerge from the war with the patrimony of Francis Joseph unimpaired. This desire has taken two interesting forms: (1) it has resulted in the adoption of a policy of no annexations, which is obvious enough; and (2) in the adoption, evidently with much sincerity, of a desire for disarmament and a league of nations. The motive here is evidently a realization that financially Austria cannot maintain armaments at the present scale after the war, and a realization that in a league of nations she would find a guarantee of the *status quo*. It follows that the more turbulent the subject nationalities become and the less the present Magyar-Austrian ascendancy sees itself threatened with absolute extinction, the more fervent will become the desire in Austria-Hungary to make itself a fit partner in a league of nations. *Our policy must therefore consist first in a stirring up of nationalist discontent, and then in refusing to accept the extreme logic of this discontent which would be the dismemberment of Austria-Hungary.* By threatening the present German-Magyar combination with nationalist uprisings on the one side, and by showing it a mode of safety on the other, its resistance would be reduced to a minimum, and the motive to an independence from Berlin in foreign affairs would be enormously accelerated. Austria-Hungary is in the position where she must be good in order to survive.

It should be noted that the danger of economic exclusion after the war affects Austria-Hungary as well as Germany very seriously, and no amount of ultimate trade in transit to Turkey will be able to solve for her the immediate problem of finding work for her demobilized army, of replenishing her exhausted supplies, and of finding enough wealth to meet her financial burdens.

III. Our assets in Bulgaria.

In regard to Bulgaria our greatest asset is the possibility of satisfying her just claims, now that the threat of an imperialistic Russian occupation of Constantinople is removed. A satisfied Bulgaria would no doubt share

in the economic advantages of Middle Europe, but without a strong national grievance of her own, her exploitation for political and military purposes is improbable. To this should be added the consideration that the reverberations of the Russian revolution are sure to be felt in Bulgaria.

IV. Our assets in Turkey.

In regard to Turkey our primary assets are our military successes, already commented upon above. These military successes should have a religio-political effect upon the Ottoman Turk. The great financial and economic weakness of Turkey immediately after the war and her need of assistance are also assets to be considered.

V. Our assets outside of Europe.

The German colonies are obvious material to bargain with, as is Germany's exclusion from the Pacific and from Central and South America.

VI. The radicalism of Russia.

It is often overlooked that the Russian revolution, inspired as it is by deep hatred of autocracy, contains within it at least three other great motives of serious danger to German domination: (1) anti-capitalist feeling, which would be fully as intense, or more intense, against German capitalism; (2) a religious love of Russia which is spiritually antagonistic to protestant Germany; and (3) a powerful nationalist feeling among the Moderates, who will either return to power or at least exercise a strong influence in Russia. The revolution, therefore, must be regarded not only as inherently difficult for the Germans to manage and to master, but as being in itself a great dissolving force through its sheer example. Note in this regard the reported interpellation of a deputy in the Austrian parliament, who wanted to know when the Austrian and Hungarian landed estates were to be broken up upon Bolsheviki principles, seeing that the government had recognized the Bolsheviki.

On the part of the Emperor and of the present ruling powers in Austria-Hungary there is a great desire to emerge from the war with the patrimony of Francis Joseph unimpaired. This desire has taken two interesting forms: (1) it has resulted in the adoption of a policy of no annexations, which is obvious enough; and (2) in the adoption, evidently with much sincerity, of a desire for disarmament and a league of nations. The motive here is evidently a realization that financially Austria cannot maintain armaments at the present scale after the war, and a realization that in a league of nations she would find a guarantee of the *status quo*. It follows that the more turbulent the subject nationalities become and the less the present Magyar-Austrian ascendancy sees itself threatened with absolute extinction, the more fervent will become the desire in Austria-Hungary to make itself a fit partner in a league of nations. *Our policy must therefore consist first in a stirring up of nationalist discontent, and then in refusing to accept the extreme logic of this discontent which would be the dismemberment of Austria-Hungary.* By threatening the present German-Magyar combination with nationalist uprisings on the one side, and by showing it a mode of safety on the other, its resistance would be reduced to a minimum, and the motive to an independence from Berlin in foreign affairs would be enormously accelerated. Austria-Hungary is in the position where she must be good in order to survive.

It should be noted that the danger of economic exclusion after the war affects Austria-Hungary as well as Germany very seriously, and no amount of ultimate trade in transit to Turkey will be able to solve for her the immediate problem of finding work for her demobilized army, of replenishing her exhausted supplies, and of finding enough wealth to meet her financial burdens.

III. Our assets in Bulgaria.

In regard to Bulgaria our greatest asset is the possibility of satisfying her just claims, now that the threat of an imperialistic Russian occupation of Constantinople is removed. A satisfied Bulgaria would no doubt share

in the economic advantages of Middle Europe, but without a strong national grievance of her own, her exploitation for political and military purposes is improbable. To this should be added the consideration that the reverberations of the Russian revolution are sure to be felt in Bulgaria.

IV. Our assets in Turkey.

In regard to Turkey our primary assets are our military successes, already commented upon above. These military successes should have a religio-political effect upon the Ottoman Turk. The great financial and economic weakness of Turkey immediately after the war and her need of assistance are also assets to be considered.

V. Our assets outside of Europe.

The German colonies are obvious material to bargain with, as is Germany's exclusion from the Pacific and from Central and South America.

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VII. The Vatican.

The Vatican has been rightly regarded as pro-German in its neutrality. But we should not be misled in regard to it as we have been misled in regard to the Russian revolution. The Germans have been skilful enough to use it. The Vatican is one of those forces in the world which require exceedingly skilful handling and contains within it the possibility of great assistance to our cause, as is shown, for example, by the opportunity it offered the President to carry on the first successful diplomatic offensive made by the Allies since the beginning of the war.

VIII. American resources.

The fact that with time the man-power and resources of this country, added to the present forces of the Entente, render a complete and crushing military victory over the Central Powers a certainty.

IX. The intangibles.

To be counted on our side if skilfully used are certain intangibles which the President undoubtedly had in mind when he warned the statesmen of the world in his last message that they were living "in this midday hour of the world's life." These are: (1) the universal longing for peace, which under the circumstances should not be handed over to Germany as something for them to capitalize; (2) the almost universal feeling on the part of the common people of the world that the old diplomacy is bankrupt, and that the system of the armed peace must not be restored. This is a sentiment fundamentally anti-Prussian in its nature, and should be capitalized for our side; (3) there is then, too, a great hope of a league of nations which has the approbation of disinterested people everywhere; (4) there is the menace of the social revolution all over the world, and as a factor in it a realization by the governing political and financial groups that the meeting of the war debts is virtually insoluble without revolutionary measures about property. In a war fought

for democratic aims, these fears should be made to fight on our side.

X. The changed direction of German policy.

In estimating the objects of German policy, as well as the concessions which Germany offers, it should be borne in mind that her first economic and political penetration pointed due south through Italy, that later it swerved southeast towards Constantinople, Bagdad, and the Persian Gulf, and that at present, in view of the Russian *débâcle*, its direction of easiest advance is due east. The present is the best time for Germany to seize the opportunities offering themselves there, and this may very well cause her to decide that she will accept sacrifices towards the southeast, the west, on other continents, and in distant seas, in order to assure her contol of the Russian opportunities.

LIABILITIES.

Balanced off against these assets are our liabilities. They are, briefly:

I. The military impotence of *Russia*.

II. The *strategic impossibility* of any military operation which will cut to the heart of Middle Europe.

III. The *costs and dangers* of a war of attrition on the western front, and the improbability of anything more than a slow withdrawal by the Germans, leaving behind them an absolute devastation of western Belgium and of northern France.

IV. The *possession* by the Germans at this time of the occupied areas.

V. The concentration of France upon *Alsace-Lorraine*, which opens at least as a possibility an attempt by the Germans to cause an almost complete rupture of the western alliance by offering France an attractive compromise solution. In case the Germans should decide within the next few months that they could compensate themselves in the east, they may offer France enough in the west to force either a peace or so keep a schism of French opinion as to render France impotent.

VI. In regard to *Italy*, our liabilities are also heavy. There is the obvious danger of social revolution and disorganization.

VII. Another liability lies in the present unwillingness of the dominant opinion of Great Britain to discuss modifications of *sea power*.

A Programme for a Diplomatic Offensive.

Bulgaria, Servia, and Italy.

Attention may first be directed to Bulgaria as a weak section of the German line. The Allies should publicly recognize Bulgaria's just national claims and Serbia's right to independence and to access to the sea. This should be accompanied by a strong public move in the direction of Italy, emphasizing Italy's just claims to a rectification of her frontier, both for defensive and for nationalistic reasons. The abandonment by Italy of her imperialist claims can be covered by strong assurances that her territory shall be evacuated and her pressing economic needs now and after the war assured.

Austria-Hungary.

Towards Austria-Hungary the approach should consist of references to the subjection of the various nationalities, in order to keep that agitation alive, but coupled with it should go repeated assurances that no dismemberment of the Empire is intended, together with allusions to the humiliating vassalage of the proudest court in Europe. It will probably be well to inject into the discussion a mention of the fact that Austria-Hungary is bound to Germany by huge debts expended in the interest of German ambition. In regard to Austria-Hungary it will probably not be wise to suggest frankly the cancellation of these debts, as in the case of Turkey. Reference to their existence and to the bondage which they imply will, however, produce a useful ferment. The desire of Austria-Hungary to discuss the question of disarmament should not be ignored. The discussion should specifically be accepted and the danger of disarmament in the face of an autocratic Germany explained again.

Germany.

As against Germany the lines of the offensive have already been laid down by the President. There should be more explicit assertion that the penalty of a failure to democratize Germany more adequately must mean exclusion from freedom of intercourse after the war, that the reward for democratization is a partnership of all nations in meeting the problems that will follow the peace. This offensive should of course contain the explicit assurance that we do not intend to dictate the form of responsible government in Germany, and that we are quite within the justified limits of intercourse with nations if we take the position that our attitude towards a responsible Germany would be different from our attitude towards the present Germany.

Russia.

Towards Russia our best success will lie: (1) in showing that we are not unwilling to state war aims; (2) in a hearty propaganda of the idea of a league of nations; and (3) in a demonstration to them that the diplomatic offensive is in progress, and that the Allies are not relying totally upon force.

France.

For the sake of the morale of France it will perhaps be wise to indicate an interest in the solution of the problem of Alsace-Lorraine.

The western Allies in general.

All of the western Allies should be braced: (1) by an energetic movement for economic unity of control; (2) by utterances from the United States which will show the way to the Liberals in Great Britain and in France, and therefore restore their national unity of purpose. These Liberals will readily accept the leadership of the President if he undertakes a liberal diplomatic offensive, because they will find in that offensive an invaluable support for their internal domestic troubles; finally (3) such a powerful liberal offensive on the part of the United States

will immensely stimulate American pride and interest in the war, and will assure the administration the support of the great mass of the American people who desire an idealistic solution. Such a liberal offensive will do more than any other thing to create in this country the sort of public opinion that the President needs in order to carry through the programme he has outlined.

A Suggested Statement of Peace Terms.

What follows is suggested as a statement of peace terms in case a general statement of terms at this time is desired. The different items are phrased, both with a view to what they include and exclude, in their relationship to the present military and diplomatic situation. The purpose is to make them serve both as the bases of an ultimate just peace and as a programme of war aims which would cause the maximum disunity in the enemy and the maximum unity among our associates.

Belgium:

Belgium Must Be Evacuated and Restored by Germany, without any Attempt to Limit the Sovereignty which She Enjoys in common with All Other Free Nations.

Northern France:

["*All the French territory must be freed and invaded portions restored.*"]*

The Invaded Portions of Northern France Must Be Evacuated and Restored.

Luxembourg:

This question should be ignored at this time and left to negotiation.

Alsace-Lorraine:

["*Alsace-Lorraine must be restored to France without excluding Germany from the use of the economic resources of those provinces.*]*

*Translation of President Wilson's stenographic annotation.

EVERY ACT OF GERMANY TOWARDS ALSACE-LORRAINE FOR HALF A CENTURY HAS PROCLAIMED THAT THESE PROVINCES ARE FOREIGN TERRITORY, AND NO GENUINE PART OF THE GERMAN EMPIRE. GERMANY CANNOT BE PERMITTED TO ESCAPE THE STERN LOGIC OF HER OWN CONDUCT. THE WRONG DONE IN 1871 MUST BE UNDONE.

This paragraph is phrased so as to avoid making the return of Alsace-Lorraine to France an essential aim of the United States in the war, while giving all possible moral support to France in her effort to regain the provinces. It is our belief that the recovery of Alsace-Lorraine is highly desirable and practically essential to the successful recovery of France. It is also our belief that the relinquishment of Alsace-Lorraine would be the final seal upon the destruction of German militarism. At the same time, we recognize that America cannot insist upon fighting for Alsace-Lorraine longer than France herself is willing to fight, and therefore if Germany should offer France a compromise which France herself was willing to accept, it would be unwise for us to have a commitment on record which we could not fulfill.

ITALY:

[*"That is the readjustment of the frontiers of Italy along clearly recognized lines of nationality."*]*

WE RECOGNIZE THAT ITALY IS ENTITLED TO RECTIFICATIONS OF HER BOUNDARIES ON THE BASIS OF A JUST BALANCE OF DEFENSIVE AND NATIONALIST CONSIDERATIONS. THIS RIGHT WAS RECOGNIZED IN PRINCIPLE BY AUSTRIA-HUNGARY BEFORE ITALY ENTERED THE WAR AND JUSTICE TOWARDS ITALY IS IN NO WISE ALTERED BY ANY SUBSEQUENT MILITARY EVENTS. WE RECOGNIZE ALSO THAT THE PORT OF TRIESTE SHOULD BE COMMERCIALLY FREE AND THAT THE INHABITANTS OF THE CITY DESERVE THEIR CULTURAL AUTONOMY.

It is our belief that the application of this plank will meet the just demands of Italy, without yielding to those

*Translation of President Wilson's stenographic annotation.

larger ambitions along the eastern shore of the Adriatic for which we can find no substantial justification.

THE BALKANS:

["*Roumania, Serbia and Montenegro must be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relationships of the several Balkan States to one another determined by friendly counsel along historically established lines of allegiance and nationality. International guarantees should be entered into of the political independence and territorial integrity of all the Balkan States.*"]*

NO JUST OR LASTING SETTLEMENT OF THE TANGLED PROBLEMS CONFRONTING THE DEEPLY WRONGED PEOPLES OF THE BALKANS CAN BE BASED UPON THE ARBITRARY TREATY OF BUCHAREST. THAT TREATY WAS A PRODUCT OF THE EVIL DIPLOMACY WHICH THE PEOPLES OF THE WORLD ARE NOW DETERMINED TO END. THAT TREATY WRONGED EVERY NATION IN THE BALKANS, EVEN THOSE WHICH IT APPEARED TO FAVOUR, BY IMPOSING UPON THEM ALL THE PERMANENT MENACE OF WAR. IT UNQUESTIONABLY TORE MEN AND WOMEN OF BULGARIAN LOYALTY FROM THEIR NATURAL ALLEGIANCE. IT DENIED TO SERBIA THAT ACCESS TO THE SEA WHICH SHE MUST HAVE IN ORDER TO COMPLETE HER INDEPENDENCE. ANY JUST SETTLEMENT MUST OF COURSE BEGIN WITH THE EVACUATION OF RUMANIA, SERBIA, AND MONTENEGRO BY THE ARMIES OF THE CENTRAL POWERS, AND THE RESTORATION OF SERBIA AND MONTENEGRO. THE ULTIMATE RELATIONSHIP OF THE DIFFERENT BALKAN NATIONS MUST BE BASED UPON A FAIR BALANCE OF NATIONALISTIC AND ECONOMIC CONSIDERATIONS, APPLIED IN A GENEROUS AND INVENTIVE SPIRIT AFTER IMPARTIAL AND SCIENTIFIC INQUIRY. THE MEDDLING AND INTRIGUING OF GREAT POWERS MUST BE STOPPED, AND THE EFFORTS TO ATTAIN NATIONAL UNITY BY MASSACRE MUST BE ABANDONED.

It would obviously be unwise to attempt at this time to draw frontiers for the Balkan states. Certain broad con-

*Translation of President Wilson's stenographic annotation.

siderations, however, may tentatively be kept in mind. They are in brief these: (1) that the area annexed by Rumania in the Dobrudja is almost surely Bulgarian in character and should be returned; (2) that the boundary between Bulgaria and Turkey should be restored to the Enos-Midia line, as agreed upon at the conference of London; (3) that the south boundary of Bulgaria should be the Ægean Sea coast from Enos to the gulf of Orfano, and should leave the mouth of the Struma river in Bulgarian territory; (4) that the best access to the sea for Serbia is through Saloniki; (5) that the final disposition of Macedonia cannot be determined without further inquiry; (6) that an independent Albania is almost and certainly an undesirable political entity.

We are strongly of the opinion that in the last analysis economic considerations will outweigh nationalistic affiliations in the Balkans, and that a settlement which insures economic prosperity is most likely to be a lasting one.

POLAND:

["*An independent Polish State must be established, whose political and economic independence and territorial integrity shall be guaranteed by international covenant. It shall include the territories inhabited by an indisputably Polish population, and shall be granted a free and secure access to the sea.*"]*

AN INDEPENDENT AND DEMOCRATIC POLAND SHALL BE ESTABLISHED. ITS BOUNDARIES SHALL BE BASED ON A FAIR BALANCE OF NATIONAL AND ECONOMIC CONSIDERATIONS, GIVING DUE WEIGHT TO THE NECESSITY FOR ADEQUATE ACCESS TO THE SEA. THE FORM OF POLAND'S GOVERNMENT AND ITS ECONOMIC AND POLITICAL RELATIONS SHOULD BE LEFT TO THE DETERMINATION OF THE PEOPLE OF POLAND ACTING THROUGH THEIR CHOSEN REPRESENTATIVES.

The subject of Poland is by far the most complex of all the problems to be considered. The present distribution of Poles is such as to make their complete unification

*Translation of President Wilson's stenographic annotation.

impossible without separating East Prussia from Germany. This is probably not within the bounds of practical politics. A Poland which consists essentially of Russian and perhaps Austrian Poland would probably secure its access to the sea through the Vistula River and the canals of Germany which run to Hamburg and Bremen. This relationship would very probably involve both the economic subjection of Poland and the establishment of an area of great friction. If Russia is to remain weak the new Poland will lie in an exceedingly exposed position. The experiment must no doubt be made, however, but in order to assure it a fair start, it is necessary to insist at the outset upon a democratic basis for the Polish state. Unless this is loyally observed, the internal friction of Poles, Ruthenians, and Jews is likely to render Poland impotent in the presence of Germany.

AUSTRIA-HUNGARY

["*The peoples of Austria-Hungary, whose place among the nations of the world we wish to see safeguarded and assured must be accorded the freest opportunity of autonomous development.*"]*

WE SEE PROMISE IN THE DISCUSSIONS NOW GOING ON BETWEEN THE AUSTRO-HUNGARIAN GOVERNMENTS AND THE PEOPLES OF THE MONARCHY, BUT THE VASSALAGE OF AUSTRIA-HUNGARY TO THE MASTERS OF GERMANY, RIVETED UPON THEM BY DEBTS FOR MONEY EXPENDED IN THE INTERESTS OF GERMAN AMBITION MUST BE DONE AWAY WITH IN ORDER THAT AUSTRIA-HUNGARY MAY BE FREE TO TAKE HER RIGHTFUL PLACE AMONG THE NATIONS.

The object of this is to encourage the present movement towards federalism in Austria, a movement which, if it is successful will break the German-Magyar ascendency. By injecting the idea of a possible cancellation of the war debts to Germany, it is hoped to encourage all the separatist tendencies as between Austria-Hungary and Germany, as well as the social revolutionary sentiment which poverty has stimulated.

*Translation of President Wilson's stenographic annotation.

TURKEY:

["*The Turkish portions of the present Turkish Empire must be assured a secure sovereignty and the other nationalities which are now under Turkish rule must be assured full opportunity of autonomous development.*"]*

IT IS NECESSARY TO FREE THE SUBJECT RACES OF THE TURKISH EMPIRE FROM OPPRESSION AND MISRULE. THIS IMPLIES AT THE VERY LEAST AUTONOMY FOR ARMENIA AND THE PROTECTION OF PALESTINE, SYRIA, MESOPOTAMIA, AND ARABIA BY THE CIVILIZED NATIONS. IT IS NECESSARY ALSO TO ESTABLISH FREE INTERCOURSE THROUGH AND ACROSS THE STRAITS. TURKEY PROPER MUST BE JUSTLY TREATED AND FREED FROM ECONOMIC AND POLITICAL BONDAGE. HER WAR DEBTS TO GERMANY MUST BE CANCELLED. NONE OF THE MONEY INVOLVED WAS SPENT IN THE INTEREST OF TURKEY, AND NONE OF IT SHOULD BE REGARDED AS A TURKISH OBLIGATION. AN ADJUSTMENT OF HER PRE-WAR DEBT IN ACCORDANCE WITH HER TERRITORIAL LIMITATIONS IS ALSO REQUIRED BY THE CONSIDERATIONS OF JUSTICE. MOREOVER IT WILL UNDOUBTEDLY BE FEASIBLE TO ARRANGE ADVANCES OF MONEY TO TURKEY IN ORDER TO ENABLE HER UNDER SUITABLE SUPERVISION TO INSTITUTE AND MAINTAIN SATISFACTORY EDUCATIONAL AND SANITARY CONDITIONS, AND TO UNDERTAKE HER ECONOMIC REHABILITATION. THUS TURKEY CAN BE FREED FROM INTERMEDDLING AND ENABLED TO DEVELOP INSTITUTIONS ADAPTED TO THE GENIUS OF HER OWN PEOPLE.

This will appear on the surface to be a drastic solution of the Turkish problem, but it is one which the military situation enables us to accomplish, and it can hardly be doubted that no principle of justice requires the return of occupied portions of Turkey to the German-Turkish alliance. The cancellation of Turkey's debt to Germany is the one final way to abolish German political and commercial penetration. It is also the one method by which Turkey can be given a new start, considerably reduced in size, without power to misgovern alien races, and there-

*Translation of President Wilson's stenographic annotation.

fore free to concentrate upon the needs of her own population. It should be noted in this regard that only a few days ago it was announced that Germany had agreed to forego interest on the Turkish debt for a period of twelve years after the war. This implies a realization on Germany's part that if she insists upon the interest payments a repudiation is possible, carrying with it a destruction of German influence in Turkey.

The League of Nations

FROM THE NATIONS AT PRESENT ENGAGED IN RESISTANCE TO GERMANY'S EFFORT TO DOMINATE THE WORLD THERE IS GROWING A LEAGUE OF NATIONS FOR COMMON PROTECTION, FOR THE PEACEFUL SETTLEMENT OF INTERNATIONAL DISPUTES, FOR THE ATTAINMENT OF A JOINT ECONOMIC PROSPERITY INCLUDING EQUAL OPPORTUNITY UPON THE HIGHWAYS OF THE WORLD AND EQUITABLE ACCESS TO THE RAW MATERIALS WHICH ALL NATIONS NEED. WHETHER THIS LEAGUE IS TO REMAIN ARMED AND EXCLUSIVE, OR WHETHER THERE IS TO BE A REDUCTION OF ARMAMENTS AND A CORDIAL INCLUSION OF GERMANY, WILL DEPEND UPON WHETHER THE GERMAN GOVERNMENT IS IN FACT REPRESENTATIVE OF THE GERMAN DEMOCRACY.

This is, of course, simply another statement of the alternative before Germany.

Conclusion

We regard all of the terms mentioned as essential to any final agreement. It may well be, however, that some of the provisions other than those relating to Belgium and northern France, the evacuation of Italy and Rumania, and the evacuation and restoration of Serbia and Montenegro, do not require assent as a preliminary to discussion at the conference. And this is due to the fact that we have the power to compel Germany's assent at the peace conference by our ability to bar her indefinitely from access to supplies and to protract the negotiations at her cost and at our own benefit.

We emphasize our belief that no surrender of this power, even by inference, should be considered until all the terms

stated above are definitely agreed to, in detail as well as in principle, by Germany at the peace conference. This involves adopting as our policy the reserving of the discussion of economic peace until our political, social, and international objects are attained.

We might well adopt as our slogan "No economic peace until the peoples are freed."

DOCUMENT 3.

The "Fourteen Points" and the "Four Points."

President Wilson's Fourteen Points, from his address to the Joint Session of Congress, January 8, 1918.

President Wilson's Four Points, from his address at Mount Vernon, July 4, 1918.

THE "FOURTEEN POINTS" AND THE "FOUR POINTS."

PRESIDENT WILSON'S FOURTEEN POINTS.

From His Address to the Joint Session of Congress, January 8, 1918.

We entered this war because violations of right had occurred which touched us to the quick and made the life of our own people impossible unless they were corrected and the world secured once for all against their recurrence. What we demand in this war, therefore, is nothing peculiar to ourselves. It is that the world be made fit and safe to live in; and particularly that it be made safe for every peace-loving nation which, like our own, wishes to live its own life, determine its own institutions, be assured of justice and fair dealing by the other peoples of the world as against force and selfish aggression. All the peoples of the world are in effect partners in this interest, and for our own part we see very clearly that unless justice be done to others it will not be done to us. The programme of the world's peace, therefore, is our programme; and that programme, the only possible programme, as we see it, is this:

I. Open covenants of peace, openly arrived at, after which there shall be no private international under-

standings of any kind but diplomacy shall proceed always frankly and in the public view.

II. Absolute freedom of navigation upon the seas, outside territorial waters, alike in peace and in war, except as the seas may be closed in whole or in part by international action for the enforcement of international covenants.

III. The removal, so far as possible, of all economic barriers and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance.

IV. Adequate guarantees given and taken that national armaments will be reduced to the lowest point consistent with domestic safety.

V. A free, open-minded, and absolutely impartial adjustment of all colonial claims, based upon a strict observance of the principle that in determining all such questions of sovereignty the interests of the populations concerned must have equal weight with the equitable claims of the government whose title is to be determined.

VI. The evacuation of all Russian territory and such a settlement of all questions affecting Russia as will secure the best and freest coöperation of the other nations of the world in obtaining for her an unhampered and unembarrassed opportunity for the independent determination of her own political development and national policy and assure her of a sincere welcome into the society of free nations under institutions of her own choosing; and, more than a welcome, assistance also of every kind that she may need and may herself desire. The treatment accorded Russia by her sister nations in the months to come will be the acid test of their good will, of their comprehension of her needs as distinguished from their own interests, and of their intelligent and unselfish sympathy.

VII. Belgium, the whole world will agree, must be evacuated and restored, without any attempt to limit the sovereignty which she enjoys in common with all other free nations. No other single act will serve as this will serve to restore confidence among the nations in the laws which they have themselves set and determined for the govern-

ment of their relations with one another. Without this healing act the whole structure and validity of international law is forever impaired.

VIII. All French territory should be freed and the invaded portions restored, and the wrong done to France by Prussia in 1871 in the matter of Alsace-Lorraine, which has unsettled the peace of the world for nearly fifty years, should be righted, in order that peace may once more be made secure in the interest of all.

IX. A readjustment of the frontiers of Italy should be effected along clearly recognizable lines of nationality.

X. The peoples of Austria-Hungary, whose place among the nations we wish to see safeguarded and assured, should be accorded the freest opportunity of autonomous development.

XI. Rumania, Serbia, and Montenegro should be evacuated; occupied territories restored; Serbia accorded free and secure access to the sea; and the relations of the several Balkan states to one another determined by friendly counsel along historically established lines of allegiance and nationality; and international guarantees of the political and economic independence and territorial integrity of the several Balkan states should be entered into.

XII. The Turkish portions of the present Ottoman Empire should be assured a secure sovereignty, but the other nationalities which are now under Turkish rule should be assured an undoubted security of life and an absolutely unmolested opportunity of autonomous development, and the Dardanelles should be permanently opened as a free passage to the ships and commerce of all nations under international guarantees.

XIII. An independent Polish state should be erected which should include the territories inhabited by indisputably Polish populations, which should be assured a free and secure access to the sea, and whose political and economic independence and territorial integrity should be guaranteed by international covenant.

XIV. A general association of nations must be formed under specific covenants for the purpose of affording

mutual guarantees of political independence and territorial integrity to great and small states alike.

In regard to these essential rectifications of wrong and assertions of right we feel ourselves to be intimate partners of all the governments and peoples associated together against the Imperialists. We cannot be separated in interest or divided in purpose. We stand together until the end.

. . . . . .

We have spoken now, surely, in terms too concrete to admit of any further doubt or question. An evident principle runs through the whole programme I have outlined. It is the principle of justice to all peoples and nationalities, and their right to live on equal terms of liberty and safety with one another, whether they be strong or weak. Unless this principle be made its foundation no part of the structure of international justice can stand. The people of the United States could act upon no other principle; and to the vindication of this principle they are ready to devote their lives, their honor, and everything that they possess. The moral climax of this the culminating and final war for human liberty has come, and they are ready to put their own strength, their own highest purpose, their own integrity and devotion to the test.

President Wilson's Four Points.

From His Address at Mount Vernon, July 4, 1918.

I. The destruction of every arbitrary power anywhere that can separately, secretly, and of its single choice disturb the peace of the world; or, if it cannot be presently destroyed, at the least its reduction to virtual impotence.

II. The settlement of every question, whether of territory, of sovereignty, of economic arrangement, or of political relationship upon the basis of the free acceptance of that settlement by the people immediately concerned, and not upon the basis of the material interest or advantage of any other nation or people which may desire a

different settlement for the sake of its own exterior influence or mastery.

III. The consent of all nations to be governed in their conduct toward each other by the same principles of honor and of respect for the common law of civilized society that govern the individual citizens of all modern States in their relations with one another; to the end that all promises and covenants may be sacredly observed, no private plots or conspiracies hatched, no selfish injuries wrought with impunity, and a mutual trust established upon the handsome foundation of a mutual respect for right.

IV. The establishment of an organization of peace which shall make it certain that the combined power of free nations will check every invasion of right and serve to make peace and justice the more secure by affording a definite tribunal of opinion to which all must submit and by which every international readjustment that cannot be amicably agreed upon by the peoples directly concerned shall be sanctioned. These great objects can be put into a single sentence. What we seek is the reign of law, based upon the consent of the governed and sustained by the organized opinion of mankind.

DOCUMENT 4.

Statement adopted by the Council of Ten, January 17, for presentation to the Press representatives at Paris, explaining policies of publicity (mimeograph).

STATEMENT OF PEACE CONFERENCE ON PUBLICITY, JANUARY 17, 1919.

The representatives of the Allied and Associated Powers have given earnest consideration to the question of publicity for the proceedings of the Peace Conference. They are anxious that the public, through the Press, should have the fullest information compatible with safeguarding the supreme interest of all, which is that a just and honorable settlement should be arrived at with the minimum of delay. It is, however, obvious that publicity with regard to the preliminary conversations now proceeding must be subject to the limitations necessarily imposed by the difficult and delicate nature of their object.

The proceedings of a Peace Conference are far more analogous to those of a Cabinet than to those of a legislature. Nobody has ever suggested that Cabinet meetings should be held in public, and if they were so held, the work of government would become impossible. One reason why Cabinets are held in private is in order that differences may be reconciled and agreement reached before the stage of publicity is begun. The essence of democratic method is not that deliberations of a Government should be conducted in public, but that its conclusions should be subject to the consideration of a popular Chamber and to free and open discussion on the platform and in the Press.

The representatives of the Allied and Associated Powers are holding conversations in order to solve questions which affect the vital interests of many nations and upon which they may, at present, hold many diverse views. These deliberations cannot proceed by the method of a majority vote. No nation can be committed except by the free vote of its own delegates. The conclusions arrived at at these consultations, therefore, can only be formed by the difficult process of reaching agreement among all. This vital process would only be hindered if the discussion of every disputed question were to open by a public declaration by each Delegation of its own national point of view. Such a declaration would in many cases be followed by premature public controversy. This would be serious enough if it were confined to controversy between parties within each State. It might be extremely dangerous if, as would often be inevitable, it resulted in controversy between nations. Moreover such public declarations would render that give and take on the part of the delegates themselves, which is essential to a successful negotiation, a matter of infinitely greater difficulty.

It is also extremely important that the settlement should be not only just but speedy. Every belligerent Power is anxious for the early conclusion of peace, in order that its armies may be demobilised and that it may return once more to the ways of peace. If premature publicity is given to the negotiations, the proceedings of the Peace Conference would be interminably protracted, and the delegates would be forced to speak not only to the business before the Conference, but to concern themselves with the controversies which had been raised by the account of their proceedings outside.

Finally, there will often be very strong reasons against announcing the conclusions of the conversations as they are arrived at. Representatives of a nation may be willing to give their assent on one point only provided they receive a concession on another point which has not yet been discussed. It will not be possible to judge of the wisdom and justice of the Peace settlement until it can be viewed as a whole, and premature announcements

might lead to misapprehensions and anxiety as to the ultimate results for which there was no real foundation.

In calling attention, however, to these necessary limitations on publicity, the representatives of the Powers do not underrate the importance of carrying public opinion with them in the vast task by which they are confronted. They recognize that unless public opinion approves of the results of their labours, they will be nugatory.

This reasoning applies with conclusive force to the present conversations between the representatives of the Great Powers.

With regard to the full conferences, the following rule was adopted:

Representatives of the Press shall be admitted to the meetings of the full conference but upon necessary occasions the deliberations of the Conference may be held in camera.

DOCUMENT 5.

Text of Resolutions adopted by delegates of the Allied and American Press, at the Hotel Ritz, January 16, 1919 (mimeograph).

At a meeting of the special committee appointed by the delegates of the Allied and American press, held at the Hotel Ritz, Paris, the sixteenth of January, 1919, it was unanimously resolved:

One—That it is essential to ensure full publicity to the peace negotiations.

Two—That the official communiqués issued by the Peace Conference shall be as complete as possible.

Three—That, in addition to the official communiqués, full summaries of each day's proceedings should be issued, not necessarily for textual publication, but for the guidance of the members of the press who will maintain full freedom of comment.

Four—That this committee is opposed to any rule of the Conference which would interfere with free intercourse between delegates and responsible journalists.

Five—That the committee recommends equality of treatment of the Allied press by the abolition of the censorship in all Allied countries.

Six—That, apart from the general question of the admission of representatives of the press to the Peace Conference and conversations, the committee is of opinion that journalists representing all Allied countries and America should be permitted to attend the formal opening session of the Conference.

There being substantial agreement among the British, Italian and American delegations, and that of the smaller nations, to recommend equal representation of the press at the Conferences, from which, however, the French

delegation dissents, no joint proposal on this point is made, it having been left to the representatives of each nationality to make separate recommendations to their own delegates on this subject.

[*Signed*] L. MARCELLIN
ST. BRICE
LÉON BASSÉE } For France

GEORGE A. RIDDELL
GEORGE ADAM
P. GILMORE } For Great Britain

H. B. SWOPE
ARTHUR B. CROCK
JOHN E. NEVIN } For the United States

MARIO BORSA
GUGLIELMO EMANUEL
ROBERTO CANTELUPO } For Italy

F. COLLIN
FRANO CVIETSA } For the Smaller Nations

These further resolutions were unanimously adopted by the British, Italian, and American press committee, and by that representing the smaller nations:

One—That there should be direct representation of the press at the sittings of the Peace Conference.

Two—That the press of each of the great powers should be represented by not fewer than five delegates, and that each of the smaller nations which have taken an active part in the war should have proportionate representation.

GEORGE RIDDELL
GEORGE ADAM
P. GILMORE
G. H. PERRIS } For Great Britain

H. B. SWOPE
ARTHUR B. KROCK
JOHN E. NEVIN } For the United States

MARIO BORSA
GUGLIELMO EMANUEL } For Italy
ROBERTO CANTELUPO

F. COLLIN
FRANO CVIETSA } For the Smaller Nations

DOCUMENT 6.

Record of protests and resolutions adopted by American press correspondents April 23, 1919, regarding admission to meeting of Allied with German delegates at Versailles, May 7, at which the Treaty was formally presented to the Germans (carbon copy).

MEETING OF PRESS REPRESENTATIVES.

April 23, 1919.

Mr. William Allen White in the Chair.
Moved by Mr. Frank Simonds:—

That a Committee of Nine—four in addition to the present Press Executive Committee—be appointed by the Chair to draw up a resolution expressing the sentiment of the meeting that the representatives of the press be permitted to be present when the Peace Treaty is handed to the German plenipotentiaries. Motion carried unanimously.

After discussion of several motions, presented and amended, all motions were withdrawn and a vote was taken on the simple question of whether it was or was not the sense of the meeting that the representatives of the press must be permitted to see the spokesman of the Germans. Motion carried by vote 16 in favor and 7 opposed.

Meeting adjourned subject to call of Chair. Committee appointed by Chair to confer with existing Press Committee:

John E. Nevin,
Fred S. Ferguson,
Burge McFall,
Alice Riggs Hunt.

Existing Press Committee:
Lawrence Hills,
Herbert Bayard Swope,
Henry G. Wales.

April 25, 1919.

The following letter was submitted to and unanimously adopted at a subsequent meeting of the correspondents on April 25th—

To the Honorables,
Members of the American Peace Commission:—

We, the properly accredited representatives of the newspapers and magazines of the United States, request in the interest of the people of the United States that we shall be afforded in the coming negotiations with the enemy delegates:

First:—Full and complete opportunity to witness and record the initial meeting between the representatives of the Allied and Associated Powers and enemy delegates at Versailles.

Second:—That we shall be afforded opportunity to confer from time to time with the spokesmen of the German delegation in order that we may be able to secure their viewpoint on the peace negotiations to present it to the American public properly unbiased and analyzed from the standpoint of patriotic American citizens.

We respectfully point out to the Honorables of the American Commission that from the standpoint of the Allied interests, and from the standpoint of equity and fairness, it is far more to be desired that this news shall be handled from Paris where the sympathy is entirely with the Allied and Associated cause, rather than through Berlin and neutral countries where there is always danger that the versions made public will be garbled to suit the German viewpoint.

[*Signed*] WILLIAM ALLEN WHITE, Chairman,
ALICE RIGGS HUNT, Secretary.

DOCUMENT 7.

Preliminary French plan of procedure (typewritten translation) for the Peace Conference with letters of transmission from Ambassador Jusserand, November 29, 1918, to the State Department (typewritten translation), and from Frank L. Polk, Counsellor of the State Department, December 2, 1918, to President Wilson (autographed original).

THE COUNSELOR
FOR THE DEPARTMENT OF STATE
WASHINGTON

December 2, 1918.

MY DEAR MR. PRESIDENT:

The French Ambassador brought in on Saturday the enclosed letter and the attached study of the procedure of the Peace Conference. He was very anxious that this should reach you as soon as possible, in order to get your views.

I told him you would probably not have an opportunity to take this up until you were at sea, as you were so rushed, and if you desired to make any observations, they could be then sent to the French Government by wireless.

Yours faithfully,
[*Signed*] FRANK L. POLK.

Enclosure.
THE PRESIDENT,
The White House.

(*Translation*)

EMBASSY OF THE FRENCH REPUBLIC TO THE UNITED STATES.

Washington, November 29, 1918.

MR. SECRETARY OF STATE:

My Government has just informed me that, with a view to expediting the peace preliminaries, which any way can not be actually determined until after the arrival in Paris of the President of the United States, it had taken up a preliminary study of the various problems bearing upon that very important question.

In compliance with the instructions I have received, I have the honor to communicate herewith to Your Excellency a statement of the results of that examination. My Government would be glad to know whether the plan of studies suggested by it, and the principles upon which they rest, meet with the general approval of the American Government. It would be also very desirous of being informed of all the remarks which you might see fit to offer.

Be pleased to accept, etc.,

JUSSERAND.

His Excellency
THE HONORABLE ROBERT LANSING,
Secretary of State of the United States.
DI-S JSM/MVD

(*Translation*)
Enclosure

The French Government upon examination of the precedents of the Congresses of Vienna 1814–1815, Paris, 1856, and Berlin, 1878, has taken up the various problems raised by the determination of the peace preliminaries and the establishment of the general peace treaty by the Congress which is to meet at Versailles.

The arrival of President Wilson in Paris in the middle of December will enable the four Great Powers to agree among themselves upon the conditions of the peace pre-

liminaries to be imposed severally on the enemy without any discussion with him.

The examination will first apply to Germany and Bulgaria, with which it is to our interest to negotiate at once in order to promote on the one hand the disassociation of the countries which compose the first named: and on the other hand, as to the second country, avoid the dangerous Bulgarian intrigues at home and abroad.

The peace preliminaries with Germany will furthermore shape the way for the settlement of the main territorial restorations: Alsace-Lorraine, Poland, the Slav countries, Belgium, Luxembourg, the cession of the German colonies, the full recognition of the protectorates of France over Morocco and of England over Egypt, the provisional acceptance of the Constitution of new independent states out of the territories of the former Russian and Austro-Hungarian empires, as well as the conclusion of the treaties signed among the Allies with Bulgaria; and about Turkey, the abrogation of the Brest-Litovsk and Bucharest treaties, and of all the previous conventions with Russia and Roumania.

The speedy establishment of peace preliminaries with Germany raises the question of a future régime. Even now one may notice the antagonism of the Centralist tendency, which was that of the Hohenzollern Prussian Administration, the National Liberals and the Socialists, to the Federalist tendency (represented by the dynasty and administration of the secondary states and by the deputies to the Reichstag). We are interested in favoring Federalism and furnishing it with a basis by elections held under universal suffrage by promoting the manifestation of variances through the clauses of the treaty. Indeed, we can not negotiate except with a Constituent Assembly freely elected by universal, secret, and direct suffrage.

The peace preliminaries with Bulgaria will likewise define the main lines of the respective territorial status of the Bulgarian countries.

The question of peace preliminaries with the other two enemy powers presents itself in a different aspect. With

respect to Austria-Hungary it is not even existent, since that Power has disappeared; it will then be within the province of Congress to admit *de plano* the two new states that have already been recognized: the Czecho-Slovaks and Poland, and to listen to the claims of the Jugo-Slav state now forming. As for the country of the Magyars (formerly Hungary stripped of the Slovaks, Roumanians of Transylvania, and Croatians) and Austria (German), the objections of [blank in the text] growing out of their interpretations suggest exclusion.

The same, of course, applies *a fortiori* to Turkey whose complete reorganization, accompanied by intervention in her internal régime (which on principle is barred with respect to other states), is worthy of consideration. It seems preferable to leave to the Congress the discussion of the fate of those nationalities, for if peace preliminaries were signed with them, it would be tantamount to pledging ourselves at once to maintain the Ottoman Empire, that is to say, a rule which for a century has perpetrated its abuses, crimes, and causes of discussion among the great civilized states. Furthermore, where could the power authorized to ratify in the name of Turkey be found? Is it not better that the Allies should determine the fate of the territories lying within the former Ottoman Empire without the encumbrance of negotiations with that Empire?

After reaching an agreement as to the peace preliminaries, the representatives of the Great Powers will have to come to an agreement on the principles of the representation of the several belligerent, neutral, and enemy states at the Peace Congress. They will take up *seriatim* the cases of the actual and theoretical belligerents, the newly recognized states, and the states in formation, the former Allies who have concluded treaties with the enemy but whose treaties have not been recognized by us (Russia and Roumania), the neutrals and the enemies. Among the belligerents it will be proper to distinguish in respect of the number of plenipotentiaries and of admission to the sessions as between the small and the great powers. The great victorious powers alone will attend

all its sessions, the small powers being called only to sessions designated for their special affairs. As for the neutrals and states in formation, they may be called when their own interests are at stake.

The number of plenipotentiaries will be limited to avoid congestion and confusion in the debates; the Great Powers may designate from three to five plenipotentiaries, the small powers from one to two, the neutral and forming states only one. As the decisions are to be taken by a majority vote, and as the representation of a state is but one unit, it is not necessary that any state should have as many representatives as a power of the same category, as provided by the precedents of the Congresses of the nineteenth century: each state may freely choose the number of its delegates within the limits above cited.

It seems that the labors of the Congress should be divided into two main series: the settlement of the war properly so-called, and the organization of the Society of Nations. The examination of the second question no doubt calls for the settlement of the first. Furthermore, the settlement of the concrete questions should not be confounded with the enforcement of the stipulation of general public law. Besides, that distinction is made necessary by the fact that the enemy has no right to discuss the terms that will be imposed upon him by the victors, and that the neutrals will only be called in exceptional cases to attend the sessions where the belligerents will fix the peace terms, while all the peoples, whether belligerents, neutrals or enemies, will be called to discuss and take part in the principle of the Society of Nations.

On the contrary those principles of President Woodrow Wilson's which are not sufficiently defined in their character to be taken as a basis for a concrete settlement of the war, even if appealed to as they have been admitted by the Allies, will resume their full strength in the matter of the future settlement of public law, and this will remove one of the difficulties that might obstruct the Allies.

The procedure of the Congress will also be determined at the preliminary meetings in the second half of December: Election of the President, appointment of the

secretarial forces (charged with the duties of drawing the protocols, filing the archives, preparing daily communiqués, provide for the administrative organization of the Congress and the regular operation of the services) motions in writing read at the previous session discussed jointly (so as to bring about an agreement on the principle and afterwards work out the details) printing of the protocols, organization of a drafting committee, etc.

The programme of the labors will then be determined, for in all the previous Congresses the stipulations of a treaty (the Paris Treaty of May 30, 1814 at the Vienna Congress; the protocol signed at Vienna on February 1, 1854 at the Paris Congress; the treaty of San Stefano signed March 3, 1878 at the Berlin Congress), has served as a basis while the Congress of 1919 has no fixed basis before it; indeed neither the four armistices signed with Bulgaria, Austria-Hungary, Turkey and Germany, nor the answer of the Allies of January 10, 1917, jointly making known their war aims to President Wilson, nor the President's fourteen propositions which are principles of public law can furnish a concrete basis for the labors of the Congress.

That basis can only be a methodical statement of the questions to be taken up which may be classified as follows:

First—Settlement of the War

A. Political stipulations.
  1. *New States:* a. already recognized (Bohemia).
     b. Being formed (Jugo-Slavia, Russian States, etc.).
  2. *Territorial questions:* restitution of territories. Neutralization for protection purposes.
     a. Alsace-Lorraine (8th Wilson proposition).
     b. Belgium (7th Wilson proposition).
     c. Italy (9th Wilson proposition).
     d. Boundary lines (France, Belgium, Serbia, Roumania, etc.).
     e. International régime of means of transportation, rivers, railways, canals, harbors.

3. *Eastern Questions* (12th Wilson proposition).
4. *Colonies* (5th Wilson proposition).
5. *Far East.*

B. Military and Naval stipulations. Military guarantees on land and at sea. Number of effectives, dismantling of fortifications, reduction of war manufactures, territorial occupation.

C. Indemnities stipulations: reparation for war damage on land and at sea, restitution, reconstruction, compensation in kind, reimbursement of expenses unlawfully imposed. "(C.R.B.)"

D. Economic and financial stipulations: raw materials, economic systems, settlement of accounts.

E. Stipulations of private law: settlement of private debts, liquidation of sequestrated property.

F. Punishments to be inflicted on account of acts of violence and crimes committed during the war in violation of public law.

G. Stipulations of a moral character: Recognition by Germany of the responsibility and premeditation of her rulers justifying the measures of penalization and precaution taken against her. Solemn disavowal of the breaches of international law and of the crimes against humanity.

H. Restoration of the conventional régime broken by the war.

Second—Organization of the Society of Nations.

A. Stipulations of general public law.
B. Guarantees and Penalties.
C. Freedom of the seas (2nd Wilson proposition).
D. International economic régime (3rd Wilson proposition).
E. Publication of the treaties (1st Wilson proposition).
F. Limitation of armaments (4th Wilson proposition).
G. International arbitral organization of the Hague.
H. Society of Nations.

The programme of labors being thus defined, there would be left only to make a logical distribution determining their order and the conditions under which *com-*

missions should study them as to territorial and political affairs and *Committees* as to general international questions.

A. *Commissions.*

1. Polish affairs.
2. Russian affairs.
3. Baltic nationalities.
4. States sprung from former Austria-Hungary.
5. Balkan affairs.
6. Eastern affairs.
7. Affairs of the Far East and the Pacific.

B. *Committees.*

1. Committee on Jewish affairs.
2. Committee on the international river navigation (Rhine, Danube, Scheldt, Elbe) practice of the society of nations.
3. Committee on international railways (railways of the 45th parallel from the Adriatic to the Baltic, Bagdad trans-African railways from Capetown to Cairo and from Capetown to Algiers).
4. Committee on public law (free determination of the peoples combined with the rights of the ethnical and religious minorities).
5. Committee on international labor legislation (a very important question, the initiative, management and settlement of which must be left to the Socialists).
6. Committee on law relative to patents and trademarks.
7. Committee on punishment for crimes committed during the war.

It may be remarked that a certain number of the questions that are raised have to be settled directly amongst the great powers without calling upon any committee to discuss them; this also applies to colonial affairs which essentially concern England and France. It also applies to indemnities, for outside of the torpedoing from which the British fleet mainly suffered, Belgium and France alone are entitled to indemnities on account of the systematic devastation suffered by them.

(The states which have become independent and those which have secured considerable territorial enlargement would have but a slight claim to indemnities.) It also applies to economic and financial stipulations, the amount of which will be determined by the great powers but the mode of payment of which alone will be discussed by the peace treaty.

The Congress finally could place itself as has sometimes been done in the past under the invocation of some of the great principles leading to justice, morals and liberty, which would be proclaimed at its very opening and even before fixing the procedure (concerning which an unofficial agreement only would have been reached): right of self-determination of the peoples, right of the minorities, suspension of all previous special agreements arrived at by some of the Allies only, with a view to the fullest freedom of the examination by the Congress, declaration that the metropolitan and colonial territory held by the Allies on August 1, 1914, shall not be touched, solemn repudiation of all the violations of international law and of humane principles and disqualification of enemy delegates who have signed violated instruments or are personally guilty of violations of the law of nations or of the crimes against humanity.

The foregoing sums up the plan of study and the principles suggested by the French Government.

PART III

THE LEAGUE AND THE PEACE

Document 8.

The "Phillimore Report" of March 20, 1918, to the British Cabinet regarding the organization of a League of Nations. The basic document used by President Wilson in the preparation of his Covenant (printed).

Confidential.

[53848/W. 39]

This Interim Report of Sir Walter Phillimore's Committee is circulated to the War Cabinet for their consideration. It is suggested that a copy should be sent to President Wilson confidentially, so that if he thinks right he may have it considered by an American expert committee. Copies should perhaps also be sent to the Dominions in view of the approaching conference.

ROBERT CECIL.

THE COMMITTEE ON THE LEAGUE OF NATIONS

The Right Hon. Sir Walter G. F. Phillimore, Bart., P. C. (*Chairman*).
Professor A. F. Pollard, M. A.
Sir Julian S. Corbett.
Dr. J. Holland Rose, Litt. D.
Sir Eyre Crowe, K. C. M. G.
Sir William Tyrrell, K. C. M. G.
Mr. C. J. B. Hurst, K. C., C. B.
Mr. A. R. Kennedy (*Secretary*).

INTERIM REPORT

TO THE RIGHT HON. A. J. BALFOUR, P. C., O. M. &c., &c.
Secretary of State for Foreign Affairs.

March 20, 1918.

1. We had the honour to be appointed by you as a Committee to enquire particularly from a juridical and

historical point of view into the various schemes for establishing by means of a League of Nations, or other device, some alternative to war as a means of settling international disputes, to report on their practicability, to suggest amendments, or to elaborate a further scheme if on consideration it should be deemed possible and expedient, and to report to you the result of our deliberations.

2. We have held nine meetings in which our attention has been directed mainly to the various proposals for a League of Nations which were formulated in the 16th and 17th centuries and to those which have been put forward since the recent revival of the movement.

3. With regard to other methods of international combinations for avoiding war which were actually attempted during the 19th century, we have not completed our investigation, and without further inquiry into past political experience we would offer no opinion as to whether a modification of those methods or a formal League of Nations is the more promising means of securing the end in view.

4. The earlier projects which aimed at setting up a kind of European Confederation with a supernational authority we have after consideration rejected, feeling that international opinion is not ripe for so drastic a pooling of sovereignty, and that the only feasible method of securing the object is by way of co-operation or possibly a treaty of alliance on the lines of the more recent schemes.

5. We have accordingly carefully considered those schemes, all of which substitute, in place of the earlier idea of confederation, a system working by means of a permanent conference and an arbitral tribunal. None of them, however, in their entirety appear to your Committee to be practicable or likely to meet with acceptance. We have therefore drafted a Convention in which, while embodying their leading ideas, we have endeavored to avoid their more obvious stumbling blocks.

6. On the assumption that a League of Nations may be regarded as a possible solution of the problem, we now submit this draft as the best we have been able to devise, to serve as a basis for an interchange of views. In mak-

ing it the subject of an Interim Report we have been influenced by the consideration that His Majesty's Government may regard it as desirable to initiate such an interchange of views before the termination of the war.

7. The primary object of the proposed alliance will be that whatever happens peace shall be preserved between members of the alliance. The secondary object will be the provision of means for disposing of disputes which may arise between the members of the alliance. Our draft treaty, therefore, divides itself into four parts: Articles 1 and 2, which stand very much by themselves, are to provide for the avoidance of war; Articles 3 to 12, for the pacific settlement of international disputes; Articles 13 to 17, for the relations between the allied States and States not party to the Convention; while Article 18 provides that this treaty shall override all others.

8. The mutual covenant not to go to war is contained in Article 1. We have not covered all cases. We have provided that no State shall go to war without previously submitting the matter to arbitration or to the Conference of the League, nor while the discussion is pending in debate, nor shall seek any further satisfaction than that which the award or the recommendation of the Conference requires. This leaves untouched the case in which the Conference can make no recommendation, but we are in great hope that this event will be rare. There will be every inducement to the Conference to find a mode of escaping from war, and, at any rate, the time will be so long drawn out that passions will have cooled. The other case omitted is when a State that has given cause of offense refuses to abide by the award or the recommendation of the Conference. It might be suggested that in this case the whole power of the League should be used to enforce submission, but we have felt a doubt whether States would contract to do this, and a still greater doubt whether, when the time came, they would fulfil their contract. Most of the writers on this subject have hesitated to recommend such a provision.

9. It will be noted that the proposed moratorium only extends to actual warfare. Some writers have suggested that there should be no warlike preparations during the period. We have rejected this——

(*a*) because it would be difficult to ascertain what were special warlike preparations;

(*b*) because we would designedly give an opportunity to the most peaceful State which had not kept its armaments up to a high pitch to improve them during the period of the moratorium, in this way discounting to some extent the advantages which a State which kept up excessive armaments would otherwise have had.

10. Article 2 contains the sanction proposed. We have desired to make it as weighty as possible. We have, therefore, made it unanimous and automatic, and one to which each State must contribute its force without waiting for the others, but we have recognized that some States may not be able to make, at any rate in certain cases, an effective contribution of military or naval force. We have accordingly provided that such States shall at the least take the financial, economic, and other measures indicated in the Article.

11. Article 3 is adapted from Article 38 of The Hague Convention for the Pacific Settlement of International Disputes, 1907.

12. Article 4 expands an idea, the germ of which appears in Article 48 of the same Covention; it gives the power to a State to apply *ex parte* to the Conference of the Allied States. Reference to arbitration requires the consent of both parties, but this provision will enable any one State, party to the dispute, to bring its case before the Conference even if the other State is not willing. We have been careful to remember that there will be much jealousy, particularly among the continental Powers of Europe, of any provision which will appear to infringe their independence or sovereignty, and therefore we do not give the Conference, thus appealed to, any power of adjudication, but only one of recommendation.

13. Article 5.—It is in our view desirable that if the

Conference be appealed to it shall not fail to act, and, as in cases which will come under Article 12 speedy action would be required, we have made the assembly of the Conference as it were automatic. It must be a matter for diplomatic determination to settle its seat. If the League should be in the first place confined to the present Allies, a convenient seat might be Versailles. If the League should embrace a number of States, and some of those at present neutral, it might be better to place the seat in Holland or Switzerland, or possibly in Belgium; but it should be a fixed place, and in this connection we have been much impressed by Lieutenant-Colonel Sir Maurice Hankey's memorandum and address to us, in which he pointed out the great advantage arising from constant mutual intercourse between the representatives of nations, and we therefore propose that, subject to the power of substitution or addition, the ordinary diplomatic representatives at the capital which is the seat of the Conference should represent their respective States.

14. The next questions which enter into consideration in Articles 7, 10, 11, and 12 are whether the decisions of the Conference must be unanimous, and whether, if any resolutions may be passed by a majority, the voting strength of the States should differ. We have concluded to eliminate the States parties to the dispute, but the precedents in favour of unanimity are so invariable that we have not seen our way to give power to a majority, or even a preponderant majority, to issue a definite recommendation, though we are aware that many English writers express themselves in a contrary sense. On the other hand, we have felt that for all preliminary work the vote of a majority should be sufficient. We may add that we have been rather loath to frame a scheme under which our own country should be rendered liable to have a recommendation passed against it by a majority vote in a matter vitally affecting the national interests, and that we have also felt that if some of the enemy Powers are even to come into this League they would equally be unwilling to submit themselves to such a liability. As to the question of the voting strength in cases where a

majority is to determine, most English and American writers have contemplated giving a larger vote to the more important Powers, and there are precedents, such as the General Postal Union Treaty of 1878 and the Telegraphic Convention of 1897, for giving to those Powers which have important colonial possessions additional votes in respect of their colonies; but the experience obtained during The Hague Conference of 1907 shows that any such superiority would be greatly resented by some States, and we have shrunk from providing it.

15. Article 11, as it will be seen, is expressed in an alternative form. The first alternative is that which commended itself to the majority of the Committee.

16. Article 12 is a substitutional provision for that power of injunction which has been recommended by many English and American writers. It has been felt that if there is to be a moratorium, there may be cases of continuing or irreparable injury to which the injured State cannot be expected to submit. In order to meet this difficulty these writers have taken an idea from the legal procedure common to Great Britain and the United States. But in applying this procedure to international matters the following objections seem to arise:—

(*a*) If final awards or recommendations are not to be the subject of enforcement by the League, it would seem illogical that interlocutory awards or recommendations should be so enforced.

(*b*) The aggressive State would certainly resent such an infringement of its sovereignty and struggle to prevent the use of an injunction, and the proceeding would almost necessarily be so prolonged, particularly if the injunction is to be the work of the whole Conference, that the interlocutory decision would hardly be reached sooner than the final one, and the mischief would have been done;

(*c*) It may be added that such knowledge as any of the members of the Committee have of such foreign jurisprudence as is founded on the Code de Napoléon, leads them to doubt whether the

procedure which most nearly approaches to the Anglo-American injunction has received the same development or occupies the same position of importance which it has with us.

17. The Committee have, therefore, rejected the idea of injunction, and submit this Article as a corrective for hardship which might otherwise be worked by the moratorium.

18. Article 15 requires some observation. The scheme of the British League of Nations Society makes the League a defensive alliance as against external Powers, and requires all the other Allied States to come to the assistance of any one of them "which may be attacked by an outside Power which refuses to submit the case to an appropriate tribunal or council"; but the American League to Enforce Peace has omitted this provision, and only one known American speaker or writer has taken the line of the British League. We have felt, therefore, that our draft treaty might provoke opposition if we inserted a clause obliging the Allies to mutual defense against external Powers, and we have substituted one which is facultative only.

19. Under Article 17 we might draw attention to the suggestion that when the League is once formed any future applicant for admission may have terms imposed upon him. This would enable the League to require reparation for past outrages, or to insist upon partial disarmament if the military or naval forces of the applicant were disproportionate to those of the States already in the League.

[*Signed*] WALTER G. F. PHILLIMORE (*Chairman*).
A. F. POLLARD.
JULIAN CORBETT.
J. HOLLAND ROSE.
EYRE A. CROWE.
W. TYRRELL.
C. J. B. HURST.
A. R. KENNEDY (*Secretary*).

March 20, 1918.

ANNEX.

DRAFT CONVENTION.

[There will be a Preamble reciting that the object of this Convention is to create a League of Nations which will, if possible, prevent all wars in the future.]

Avoidance of War.

ARTICLE 1.—Each of the Allied States (being the parties to this Convention) agrees with the other Allied States collectively and separately that it will not go to war with another of the Allied States—

(*a*) without previously submitting the matter in dispute to arbitration or to a Conference of the Allied States; and

(*b*) until there has been an award or a report by the Conference, provided that in the case mentioned in Article 12 the observance of this sub-clause is suspended;

and also that it will not go to war—

(*c*) with another of the Allied States which complies with the award or with the recommendation (if any) made by the Conference in its report.

ARTICLE 2.—If, which may God avert, one of the Allied States should break the covenant contained in the preceding Article, this State will become *ipso facto* at war with all the other Allied States, and the latter agree to take and to support each other in taking jointly and severally all such measures—military, naval, financial, and economic—as will best avail for restraining the breach of covenant. Such financial and economic measures shall include severance of all relations of trade and finance with the subjects of the covenant-breaking State, prohibition against the subjects of the Allied States entering into any relations with the subjects of the covenant-breaking State, and the prevention, so far as possible, of the subjects of the covenant-breaking State from having any commercial or financial intercourse with the subjects of any other State whether party to this Convention or not.

For the purpose of this Article, the Allied States shall detain any ship or goods belonging to any of the subjects of the covenant-breaking State or coming from or destined for any person residing in the territory of such state, and shall take any other similar steps which shall be necessary for the same purpose.

Such of the Allied States (if any) as cannot make an effective contribution of military or naval force shall at the least take the other measures indicated in this Article.

Pacific Settlement of International Disputes.

ARTICLE 3.—If a dispute should hereafter arise between any of the Allied States as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the nature and extent of the reparation to be made for any such breach, if such dispute cannot be settled by negotiation, arbitration is recognized by the Allied States as the most effective and at the same time the most equitable means of settling the dispute.

ARTICLE 4.—But if the Allied States concerned do not agree that the dispute is suitable for reference to arbitration or do not agree as to the question to be referred or as to the composition of the tribunal of arbitration, or if for any other reason a reference to arbitration should prove impracticable, any one of the Allied States concerned may make application to the Conference of the Allied States to take the matter of the dispute into consideration.

ARTICLE 5.—The seat of the Conference shall be at X, the convener shall be the Sovereign or President of the State of X, and his representative shall be president of the Conferences. The Allied States shall be represented at the Conference by their diplomatic representatives accredited to the State of X. In the event of X being one of the States parties to the dispute, either State may communicate with the Sovereign or President of Y, who thereupon shall become the Convener and shall fix the seat of the Conference and name its president.

The provisions of this Article shall not prejudice the right of the Allied States to send other representatives to the Conference, but the Conference shall be under no obligation to await their arrival.

ARTICLE 6.—It shall be the duty of the convener of the Conference to give notice of the application to the Conference to every State party to the dispute and to summon the Conference as speedily as possible.

ARTICLE 7.—The Conference shall regulate its own procedure, and may appoint Committees to enquire and report. In all matters covered by this Article the Conference may decide by the votes of a majority of the Allied States represented.

ARTICLE 8.—The function of the Conference shall be to ascertain the facts with regard to the dispute, and to make a recommendation based on the merits of the case, and calculated to ensure a just and lasting settlement. The recommendation shall not have the force of a decision.

ARTICLE 9.—The Allied States agree to place at the disposal of the Conference, or of any Committee appointed by the Conference, to the fullest possible extent compatible with their interests, the information in their possession which bears upon the dispute.

ARTICLE 10.—The recommendation of the Conference shall be addressed to the parties to the dispute, and will not require their assent.

ARTICLE 11.—In the event of the Conference being unable to agree upon a recommendation to be addressed to the parties to the dispute, it shall be the duty of the representatives of such of the Allied States attending the Conference as shall be satisfied as to the nature of the recommendation which should be made—provided that they represent not less than a majority of the Allied States attending the Conference—to publish on behalf of the States which they represent a statement setting out what they believe to be the facts with regard to the dispute. They may also add thereto the text of the recommendation which they consider the Conference should have addressed to the parties to the dispute.

ALTERNATIVE ARTICLE 11.—If, in the event of the Con-

ference being unable to agree upon a recommendation to be addressed to the parties to the dispute, any State or group of States having taken part in the Conference issues a public statement of the view which, as a result of the deliberations of the Conference, it takes of the dispute, such action shall not be regarded as an unfriendly act by either of the parties to the dispute.

ARTICLE 12.—Any one of the Allied States having a dispute pending may apply to the Conference to be relieved from the moratorium imposed by Article 1 (*b*) on the ground that there is a continuing injury, or on the ground that unless some prompt provision for the reparation or restitution is made the injury will be irreparable. The Conference shall, without deciding in any way upon the merits of the dispute, forthwith consider this application, and may relieve the applicant state from the provisions of the moratorium, or may suggest terms of temporary arrangement as a condition of not relieving the applicant State from the moratorium, and may from time to time reconsider the application and the terms which should be imposed. In the event of relief from the provisions of the moratorium being granted under this Article, any of the Allied States may, notwithstanding the provisions of Article 1, come to the assistance of the State so relieved.

Relations between the Allied States and States not Party to this Convention.

ARTICLE 13.—As regards disputes between one of the Allied States and a State not party to this Convention, the Allied State shall endeavor to obtain submission of the dispute to arbitration, if it be of a suitable nature for arbitration, and if the dispute be not of a nature suitable for arbitration, or if the other State will not agree to submit it to arbitration, the Allied State shall bring it before the Conference. In the latter event, the convener of the Conference shall, in the name of the League of Nations, invite the State not party to this convention to become for this purpose a party to the Conference and to submit its case to the Conference, and in such case the

provisions hereinbefore contained shall be applicable to the dispute both against and in favor of such State in all respects as if it were a party to this Convention.

ARTICLE 14.—If the State not party to this Convention will not accept the invitation to become *ad hoc* a party to the Conference, the Conference may enquire into the dispute *ex parte*, and may make a recommendation in the same way as if both parties were present.

ARTICLE 15.—If the Allied State shall be attacked by the other State before an award or a report of the Conference is made, or notwithstanding the compliance of the Allied State with the award or the recommendation (if any) made by the Conference in its report, any of the Allied States may come to its assistance.

ARTICLE 16.—In the case of a dispute between States none of whom are parties to this Convention, any of the Allied States may bring the matter before the Conference with a view to the Conference using its good offices to prevent war.

ARTICLE 17.—Any State not party to this Convention may apply to the Conference for leave to become a party. The Conference will forthwith examine the application favorably, and will determine whether it should be granted and whether it is necessary to impose any terms.

Conflict of Treaties.

ARTICLE 18.—A. The Allied States severally agree that the present Convention abrogates all treaty obligations *inter se* inconsistent with the terms hereof, and that they will not enter into any engagements inconsistent with the terms hereof, and that they will not enter into any engagements inconsistent with the terms hereof.

B. Where any of the Allied States, before becoming party to this Convention, shall have entered into any treaty imposing upon it obligations inconsistent with the terms of this Convention, it shall be the duty of such State to take immediate steps to procure its release from such obligations.

DOCUMENT 9.

Colonel House's proposed draft of a covenant for the League of Nations (typewritten original), July 16, 1918, with his letter of transmittal and explanation to President Wilson (autographed). The articles starred are those checked by President Wilson.

EDWARD M. HOUSE.

THE PRESIDENT,
The White House, Washington.

Dear Governor:

I am enclosing you the draft for a League of Nations. The Preamble and Articles 1, 2, and 3 are the keystone of the arch.

It is absolutely essential for the peoples of the world to realize that they can never have international peace and order if they permit their representatives to sanction the unmoral practices of the past. Every large nation, as you know, has been guilty. Bismarck's forgery of a telegram in order to force a war on France is a notable modern instance. Roosevelt's rape at Panama brings it closely home. If these things had been done by private individuals they would have been classed as criminals.

Articles 1, 2, and 3 might well come under the Preamble. The reason they are segregated is that it gives them emphasis and makes the pledge binding.

No. 4 was written with the intention of satisfying those who would be distrustful of Germany in the event she became a signatory power.

It is necessary I think to do away with the abominable custom of espionage, but to abolish it and leave some dishonorable nation free to surreptitiously prepare for war would be a mistake. It is to be remembered that nations are even more suspicious of one another than

individuals, and such suspicions, as in the case of individuals, is nine times out of ten unfounded. Instead of letting this condition grow there should be some way in which the truth could be openly arrived at.

No. 6 is taken largely from Article 5 of the British Draft. Two alternatives are named for the seat of meetings because it is conceivable that there might be trouble between Holland and Belgium, and if either of them represented X or Y it might be necessary to move the conference to Z.

No. 9. The first and last sentences in this are taken verbatim from Article 7 of the British Draft. I interlarded a sentence providing for a Secretariat and for the funds to maintain it.

To all intents and purposes the representatives of the contracting powers become automatically an International Parliament, and I am sure it will be necessary for them to be in almost continuous session. I believe that it will be a place of such power and consequence that the contracting parties will send their leading statesmen to represent them. It will be a greater honor to become a member of this body than to hold any other appointive position in the world, and it is probable that ex-Presidents, ex-Prime Ministers and ex-Chancellors will be chosen.

No. 10 provides for an International Court to have jurisdiction to determine certain questions which are now determined in many countries in courts of last resort. This court should be smaller than fifteen members.

In the past I have been opposed to a court, but in working the matter out it has seemed to me a necessary part of the machinery. In time the court might well prove the strongest part of it.

No. 11 was written largely to conform with the laws and practices of certain nations, particularly the Latin American Republics.

No. 12 has in mind the possibility of using, if desired, courts of last resort now in being, as a medium for the settlement of disputes in the event other methods prescribed do not appeal to certain nations. I also had in mind that if such a provision were a part of the Cove-

nant, it would have a tendency to make all courts of last appeal broader and less biased in passing upon international questions.

Nos. 16, 17, 18 and 19 are obvious and in the event that it is desirable to have a League limited to the Great Powers, these articles would force every nation not a member of the League to submit their disputes to the League, or use the forms of settlement prescribed by it.

Articles 13, 14 and 16 of the British Draft seek in a measure to accomplish the same purpose, but in an entirely different way.

No. 20 was written with the thought that it would not do to have territorial guarantees inflexible. It is quite conceivable that conditions might so change in the course of time as to make it a serious hardship for certain portions of one nation to continue under the government of that nation. For instance, it is conceivable that Canada might sometime wish to become a part of the United States. It is also a possibility that Chihuahua, Coahuila or Lower California might desire to become a part of this country and with the consent in each instance of the mother country.

No. 22. The first sentence of this article is taken verbatim from the British Article 17. I did not use their second sentence for the reason that it seemed to point to Germany, and I have worded the second sentence of No. 22 differently to avoid this.

No. 23 is almost a verbatim copy of Article 1 of the British.

Affectionately yours,

[*Signed*] E. M. HOUSE.

Magnolia, Massachusetts,
July 16, 1918.

SUGGESTION FOR A
COVENANT OF A LEAGUE OF NATIONS.

PREAMBLE.

International civilization having proved a failure because there has not been constructed a fabric of law to

which nations have yielded with the same obedience and deference as individuals submit to intra-national laws, and because public opinion has sanctioned unmoral acts relating to international affairs, it is the purpose of the States signatory to this Convention to form a League of Nations having for its purpose the maintenance throughout the world of peace, security, progress and orderly government. Therefore it is agreed as follows:

ARTICLE 1.—The same standards of honor and ethics shall prevail internationally and in affairs of nations as in other matters. The agreement or promise of a Power shall be inviolate.*

ARTICLE 2.—No official of a Power shall either directly or by indirection on behalf of his Government, be expected or permitted to act or communicate other than consistently with the truth, the honor and the obligation of the power which he represents.*

ARTICLE 3.—Any attempt by a Power, either openly or in secret, whether by propaganda or otherwise, to influence one Power or nation against another shall be deemed dishonorable.*

ARTICLE 4.—Any open or direct inquiry regarding the acts or purposes of a Power may be made by another Power as of course, and shall be regarded as an act of friendship tending to promote frankness in international relations, but any secret inquiry to such end shall be deemed dishonorable.

ARTICLE 5.—Any war or threat of war is a matter of concern to the League of Nations, and to the Powers, members thereof.*

ARTICLE 6.—The Ambassadors and Ministers of the Contracting Powers to X and the Minister for Foreign Affairs of X shall act as the respective delegates of the Powers in the League of Nations. The meetings of the delegates shall be held at the seat of government of X, and the Minister for Foreign Affairs of X shall be the presiding officer.

If the delegates deem it necessary or advisable, they may meet temporarily at the seat of government of Y or

*The articles starred are those checked by President Wilson.

Z, in which case the Ambassador or Minister to X of the country in which the meeting is held, shall be the presiding officer *pro tempore.**

ARTICLE 7.—The Delegates shall meet in the interests of peace whenever war is rumored or threatened, and also whenever a Delegate of any power shall inform the Delegates that a meeting in the interests of peace is advisable.*

ARTICLE 8.—The Delegates shall also meet at such other times as they shall from time to time determine.*

ARTICLE 9.—The Delegates shall regulate their own procedure and may appoint committees to inquire and report. The Delegates shall constitute a Secretariat and fix the duties thereof and all expenses of the Secretariat shall be paid by the Contracting Powers as the Delegates may determine. In all matters covered by this article the Delegates may decide by the votes of a majority of the Contracted Powers represented.*

ARTICLE 10.—An International Court composed of not more than fifteen members shall be constituted, which shall have jurisdiction to determine any difference between nations which has not been settled by diplomacy, arbitration, or otherwise, and which relates to the existence, interpretation, or effect of a treaty, or which may be submitted by consent, or which relates to matters of commerce, including in such matter, the validity or effect internationally of a statute regulation or practice. The Delegates may at their discretion submit to the Court such other questions as may seem to them advisable.

The judges of the International Court shall, both originally and from time to time as vacancies may occur, be chosen by the Delegates. A judge of the International Court shall retire from office when he shall have reached the age of seventy-two years, and may be so retired at any time by a vote of two thirds of the Delegates, but in case of retirement of a judge from office, the salary paid to him shall be continued to be so paid during his natural life.

A judge may be removed by a vote of two thirds of the Delegates. The International Court shall formulate its own rules of procedure.

ARTICLE 11.—Any difference between nations relating to matters of commerce and which involves the validity or effect internationally of a statute regulation or practice, shall, if the Power having adopted such statute regulation or practice so request, be submitted to its highest national court for decision, before submission to the International Court.

ARTICLE 12.—The highest national court of each Contracting Power shall have jurisdiction to hear and finally determine any international dispute which may be submitted by consent for its decision.

ARTICLE 13.—The Contracting Powers agree that all disputes between or among them or any of them of any nature whatsoever which shall not be settled by diplomacy and which are not within the provisions of Article 10 shall be referred for arbitration before three arbitrators, one to be selected by each party to the dispute and one to be chosen by two arbitrators so selected, or in the event of their failure to agree to such choice, the third arbitrator shall be selected by the Delegates.

The decision of the arbitrators may be set aside on the appeal of a party to the dispute, by a vote of three fourths of the Delegates, if the decision of the arbitrators was unanimous, and by a vote of two thirds of the Delegates if the decision of the arbitrators was not unanimous, but shall otherwise be finally binding and conclusive.

When any decision of the arbitrators shall have been set aside by the Delegates, the dispute shall again be submitted to arbitration before three arbitrators, chosen as heretofore provided, but none of whom shall have previously acted as such and the decision of the arbitrators upon the second arbitration shall be finally binding and conclusive without right of appeal.*

ARTICLE 14.—Any Power which the Delegates determine shall have failed to submit to the International Court any dispute of which that Court has jurisdiction as of course, or failed or neglected to carry out any decision of that Court, or of a national court to which a dispute has been submitted by consent for decision, or failed to submit to arbitration any dispute pursuant to

Article 13, hereof, or failed to carry out any decision of the arbitrators, shall thereupon lose and be deprived of all rights of commerce and intercourse with the Contracting Powers.*

ARTICLE 15.—If any Power shall declare war or begin hostilities before submitting a dispute with another Power as the case may be, either to the International Court or to Arbitrators, as herein provided, or shall declare war or begin hostilities in regard to any dispute which has been decided adversely to it by said Court or by Arbitrators or pursuant to Article 12 hereof, as the case may be, the Contracting Powers shall not only cease all commerce and intercourse with that Power as in Article 14 provided, but shall also arrange to blockade and close the frontiers of that power to commerce and intercourse with the world.*

ARTICLE 16.—As regards disputes between one of the Contracting Powers and a Power not a party to this Convention, the Contracting Power shall endeavor to obtain submission of the dispute to judicial decision or to arbitration. If the other state will not agree to submit the dispute to judicial decision or to arbitration the Contracting Power shall bring it before the Delegates. In the latter event the Delegates shall in the name of the League of Nations invite the state not a party to this Convention to become *ad hoc* a party and to submit its case to judicial decision or to arbitration and in such case the provisions hereinbefore contained shall be applicable to the dispute both against and in favor of such state in all respects as if it were a party to this Convention.*

ARTICLE 17.—If the state not a party to this Convention will not accept the invitation to become *ad hoc* a party, the Delegates shall inquire into the dispute and shall make a recommendation in respect thereof.*

ARTICLE 18.—If hostilities shall be commenced against the Contracting Power by the other state before a decision of the dispute, or before the recommendation made by the Delegates in respect thereof, or contrary to such recommendation, the Contracting Powers will thereupon cease all commerce and intercourse with the other state

and will also arrange to blockade and close the frontiers of that state to commerce and intercourse with the world and any of the Contracting Powers may come to the assistance of the Contracting Power against which hostilities have been commenced.*

ARTICLE 19.—In the case of a dispute between states not parties to this Convention, any Power may bring the matter before the Delegates, who shall tender the good offices of the League of Nations with a view to the peaceable settlement of the dispute.

If one of the Powers, party to the dispute, shall offer and agree to submit its interests and cause of action in regard thereto wholly to the control and decision of the League of Nations, that Power shall *ad hoc* be deemed a Contracting Power. If no one of the Powers, parties to such dispute, shall so offer and agree, the Delegates shall take such action and make such recommendations to their Governments as will preserve peace and prevent hostilities and result in the settlement of the dispute.

ARTICLE 20.—The Contracting Powers unite in several guarantees to each other of their territorial integrity and political independence, subject, however, to such territorial modifications, if any, as may become necessary in the future by reason of changes in present racial conditions and aspirations, pursuant to the principle of self-determination and as shall also be regarded by three fourths of the Delegates as necessary and proper for the welfare of the peoples concerned; recognizing also that all territorial changes involve equitable compensation and that the peace of the world is superior in importance and interest to questions of boundary.*

ARTICLE 21.—The Contracting Powers recognize the principle that permanent peace will require that national armaments shall be reduced to the lowest point consistent with safety, and the Delegates are directed to formulate at once a plan by which such a reduction may be brought about. The plan so formulated shall not be binding until and unless unanimously approved by the Governments signatory to this Covenant.

The Contracting Powers agree that munitions and

implements of war shall not be manufactured by private enterprise and that publicity as to all national armaments and programmes is essential.*

ARTICLE 22.—Any Power not a party to this Convention may apply to the Delegates for leave to become a party. The Delegates may act favorably on the application if they shall regard the granting thereof as tending to promote the peace and security of the world.*

ARTICLE 23.—A. The Contracting Powers severally agree that the present Convention abrogates all treaty obligations *inter se* inconsistent with the terms thereof, and that they will not enter into any engagements inconsistent with the terms hereof.

B. Where any of the Contracting Powers, before becoming party to this Convention, shall have entered into any treaty imposing upon it obligations inconsistent with the terms of this Convention, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.*

DOCUMENT 10.

President Wilson's first draft of the Covenant of the League of Nations (original draft on his own typewriter).

COVENANT.

PREAMBLE.

In order to secure peace, security, and orderly government by the prescription of open and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect of all treaty obligations in the dealings of all organized peoples with one another, the Powers signatory to this covenant and agreement jointly and severally adopt this constitution of the League of Nations.

ARTICLE I.—The action of the Signatory Powers under the terms of this agreement shall be effected through the instrumentality of a Body of Delegates which shall consist of the ambassadors and ministers of the contracting Powers accredited to H. and the Minister for Foreign Affairs of H. The meetings of the Body of Delegates shall be held at the seat of government of H. and the Minister for Foreign Affairs of H. shall be the presiding officer of the Body.

Whenever the Delegates deem it necessary or advisable, they may meet temporarily at the seat of government of B. or of S., in which case the Ambassador or Minister to H. of the country in which the meeting is held shall be the presiding officer *pro tempore*.

ARTICLE II.—The Body of Delegates shall regulate their own procedure and shall have power to appoint such

committees as they may deem necessary to inquire into and report upon any matters which lie within the field of their action.

They shall organize a Secretariat to act as their ministerial agency, and the expense of the maintenance of the Secretariat shall be borne as they may prescribe.

In all matters covered by this Article the Body of Delegates may decide by a majority vote of the whole Body.

ARTICLE III.—The Contracting Powers unite in guaranteeing to each other political independence and territorial integrity; but it is understood between them that such territorial readjustments, if any, as may in the future become necessary by reason of changes in present racial conditions and aspirations or present social and political relationships, pursuant to the principle of self-determination, and also such territorial readjustments as may in the judgment of three-fourths of the Delegates be demanded by the welfare and manifest interest of the peoples concerned, may be effected, if agreeable to those peoples; and that territorial changes may in equity involve material compensation. The Contracting Powers accept without reservation the principle that the peace of the world is superior in importance to every question of political jurisdiction or boundary.

Article IV.—(H. 21.) The Contracting Powers recognize the principle that the establishment and maintenance of peace will require the reduction of national armaments to the lowest point consistent with domestic safety and the enforcement by common action of international obligations; and the Delegates are directed to formulate at once plans by which such a reduction may be brought about. The plan so formulated shall be binding when, and only when, unanimously approved by the Governments signatory to this Covenant.

The Contracting Powers further agree that munitions and implements of war shall not be manufactured by private enterprise or for private profit, and that there shall be full and frank publicity as to all national armaments and military or naval programmes.

ARTICLE V.—The Contracting Powers agree that all disputes arising between or among them of whatever nature, which shall not be satisfactorily settled by diplomacy, shall be referred for arbitration to three arbitrators, one of the three to be selected by each of the parties to the dispute, when there are but two such parties, and the third by the two thus selected. When there are more than two parties to the dispute, one arbitrator shall be named by each of the several parties and the arbitrators thus named shall add to their number others of their own choice, the number thus added to be limited to the number which will suffice to give a deciding voice to the arbitrators thus added in case of a tie vote among the arbitrators chosen by the contending parties. In case the arbitrators chosen by the contending parties cannot agree upon an additional arbitrator or arbitrators, the additional arbitrator or arbitrators shall be chosen by the Body of Delegates.

On the appeal of a party to the dispute the decision of the arbitrators may be set aside by a vote of three-fourths of the Delegates, in case the decision of the arbitrators was unanimous, or by a vote of two-thirds of the Delegates in case the decision of the arbitrators was not unanimous, but unless thus set aside shall be finally binding and conclusive.

When any decision of arbitrators shall have been thus set aside the dispute shall again be submitted to arbitrators chosen as heretofore provided, none of whom shall, however, have previously acted as arbitrators in the dispute in question, and the decision of the arbitrators rendered in this second arbitration shall be finally binding and conclusive without right of appeal.

ARTICLE VI.—(H. 14.) Any power which the Body of Delegates shall declare to have failed to submit any dispute to arbitration under the terms of Article V of this Covenant or to have refused or failed to carry out any decision of such arbitration shall thereupon lose and be deprived of all rights of commerce and intercourse with any of the Contracting Powers.

ARTICLE VII.—If any Power shall declare war or begin

hostilities, or take any hostile step short of war, against another Power before submitting the dispute involved to arbitrators as herein provided, or shall declare war or begin hostilities, or take any hostile step short of war, in regard to any dispute which has been decided adversely to it by arbitrators chosen and empowered as herein provided, the Contracting Powers hereby bind themselves not only to cease all commerce and intercourse with that Power but also to unite in blockading and closing the frontiers of that power to commerce or intercourse with any part of the world and to use any force that may be necessary to accomplish that object.

ARTICLE VIII.—(H. 5, 7, 8.) Any war or threat of war, whether immediately affecting any of the Contracting Powers or not, is hereby declared a matter of concern to the League of Nations and to all the Powers signatory hereto, and those Powers hereby reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

The Delegates shall meet in the interest of peace whenever war is rumoured or threatened, and also whenever the Delegate of any Power shall inform the Delegates that a meeting and conference in the interest of peace is advisable.

The Delegates may also meet at such other times and upon such other occasions as they shall from time to time deem best and determine.

ARTICLE IX.—(H. 16, 17.) In the event of a dispute arising between one of the Contracting Powers and a Power not a party to this Covenant, the Contracting Power involved hereby binds itself to endeavour to obtain the submission of the dispute to judicial decision or to arbitration. If the other Power will not agree to submit the dispute to judicial decision or to arbitration, the Contracting Power shall bring the matter to the attention of the Body of Delegates. The Delegates shall in such case, in the name of the League of Nations, invite the Power not a party to this Covenant to become *ad hoc* a party and to submit its case to judicial decision or to arbitration, and if that Power consents it is hereby agreed

that the provisions hereinbefore contained and applicable to the submission of disputes to arbitration shall be in all respects applicable to the dispute both in favour of and against such Power as if it were a party to this Covenant.

In case the Power not a party to this Covenant shall accept the invitation of the Delegates to become *ad hoc* a party, it shall be the duty of the Delegates immediately to institute an inquiry into the circumstances and merits of the dispute involved and to recommend such joint action by the Contracting Powers as may seem best and most effectual in the circumstances disclosed.

ARTICLE X.—(H. 18.) If hostilities should be begun or any hostile action taken against the Contracting Power by the Power not a party to this Covenant before a decision of the dispute by arbitrators or before investigation, report, and recommendation by the Delegates in regard to the dispute, or contrary to such recommendation, the Contracting Powers shall thereupon cease all commerce and communication with that Power and shall also unite in blockading and closing the frontiers of that Power to all commerce or intercourse with any part of the world, employing jointly any force that may be necessary to accomplish that object. The Contracting Powers shall also unite in coming to the assistance of the Contracting Power against which hostile action has been taken, combining their armed forces in its behalf.

ARTICLE XI.—(H. 19.) In case of a dispute between states not parties to this Covenant, any Contracting Power may bring the matter to the attention of the Delegates, who shall thereupon tender the good offices of the League of Nations with a view to the peaceable settlement of the dispute.

If one of the states, a party to the dispute, shall offer and agree to submit its interests and cause of action wholly to the control and decision of the League of Nations, that state shall *ad hoc* be deemed a Contracting Power. If no one of the states, parties to the dispute, shall so offer and agree, the Delegates shall of their own motion take such action and make such recommendation to their govern-

ments as will prevent hostilities and result in the settlement of the dispute.

ARTICLE XII.—(H. 22.) Any Power not a party to this Covenant may apply to the Body of Delegates for leave to become a party. If the Delegates shall regard the granting thereof as likely to promote the peace, order, and security of the World, they may act favourably on the application, and their favourable action shall operate to constitute the Power so applying in all respects a full signatory party to this Covenant.

ARTICLE XIII.—(H. 23.) The Contracting Powers severally agree that the present Covenant and Convention is accepted as abrogating all treaty obligations *inter se* which are inconsistent with the terms hereof, and solemnly engage that they will not enter into any engagements inconsistent with the terms hereof.

In case any of the Powers signatory hereto or subsequently admitted to the League of Nations shall, before becoming a party to this covenant, have undertaken any treaty obligations which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

DOCUMENT 11.

Proposals made by General Jan Smuts for a League of Nations. General Smuts's original proposals were made in the form of a pamphlet of twenty pages, dated December 16, 1918. From this the President had copied out the twenty-one specific proposals as in the following document. He worked from this in re-drafting the Covenant.

LEAGUE OF NATIONS.

A.

1. That in the vast multiplicity of territorial, economic, and other problems with which the Conference will find itself confronted, it should look upon the setting-up of a League of Nations as its primary and basic task, and as supplying the necessary organ by means of which most of those problems can find their only stable solution. Indeed, the Conference should look upon itself as the first or preliminary meeting of the League, intended to work out its organization, functions, and programme.

2. That, so far at any rate as the peoples and territories formerly belonging to Russia, Austria-Hungary, and Turkey are concerned, the League of Nations should be considered as the reversionary in the most general sense, and as clothed with the right of ultimate disposal in accordance with certain fundamental principles. The reversion to the League of Nations should be substituted for any policy of national annexation.

3. These principles are: firstly, that there shall be no annexation of any of these territories to any of the victorious States, and secondly, that in the future government of these territories and peoples the rule of self-

determination, or the consent of the governed to their form of government, shall be fairly and reasonably applied.

4. That any authority, control, or administration which may be necessary in respect of these territories and peoples, other than their own self-determined autonomy, shall be the exclusive function of and shall be vested in the League of Nations and exercised by or on behalf of it.

5. That it shall be lawful for the League of Nations to delegate its authority, control or administration in respect of any people or territory to some other State whom it may appoint as its agent or mandatary, but that, wherever possible, the agent or mandatary so appointed shall be nominated or approved by the autonomous people or territory.

6. That the degree of authority, control, or administration exercised by the mandatary State shall in each case be laid down by the League in a special Act or Charter which shall reserve to it complete power of ultimate control and supervision as well as the right to appeal to it from the territory or people affected against any gross breach of the mandate by the mandatary State.

7. That the mandatary State shall in each case be bound to maintain the policy of the open door or equal economic opportunity for all, and shall form no military forces beyond the standard laid down by the League for purposes of internal police.

8. That no new State arising from the old Empires be recognized or admitted into the League unless on condition that its military forces and armaments shall conform to a standard laid down by the League in respect of it from time to time.

9. That, as the successor to the Empires, the League of Nations will directly and without power of delegation watch over the relations *inter se* of the new independent States arising from the break-up of those Empires, and will regard as a very special task the duty of conciliating and composing differences between them with a view to the maintenance of good order and general peace.

B.

10. The constitution of the League will be that of a permanent Conference between the Governments of the constituent States for the purpose of joint international action in certain defined respects, and will not derogate from the independence of those States. It will consist of a General Conference, a Council, and Courts of arbitration and conciliation.

11. The General Conference, in which all constituent States will have equal voting power, will meet periodically to discuss matters submitted to it by the Council. These matters will be general measures of international law or arrangements or general proposals for the limitations of armaments or securing world peace, or any other general resolutions, the discussion of which by the Conference is desired by the Council before they are forwarded for the approval of the constituent Governments. Any resolutions passed by the Conference will have the effect of recommendations to the national Governments and Parliaments.

12. The Council will be the executive committee of the League, and will consist of the Prime Ministers or Foreign Secretaries or other authoritative representatives of the Great Powers, together with representatives drawn in rotation from two panels of the middle powers and the minor States respectively, in such a way that the Great Powers have a bare majority. A minority of three or more can veto any action or resolution of the Council.

13. The Council will meet periodically and will, in addition, hold an annual meeting of Prime Ministers or Foreign Secretaries for a general interchange of views and for a review of the general policies of the League. It will appoint a permanent secretariat and staff, and will appoint joint committees for the study and coördination of the international questions with which the Council deals, or questions likely to lead to international disputes. It will also take the necessary steps for keeping up proper liaison, not only with the Foreign Offices of the constituent Governments, but also with the mandataries

acting on behalf of the League in various parts of the world.

14. Its functions will be:—

(a) to take executive action or control in regard to the matters set forth in Section A or under any international arrangements or conventions;

(b) to formulate for the approval of the Governments general measures of international law or arrangement or for limitation of armaments or promotion of world peace.

(Its remaining functions in regard to world peace are dealt with in the following section C.)

C.

15. That all the States represented at the Peace Conference shall agree to the abolition of conscription or compulsory military service; and that their future defence forces shall consist of militia or volunteers, whose numbers and training shall after expert inquiry be fixed by the Council of the League.

16. That while the limitation of armaments in the general sense is impracticable, the Council of the League shall determine what direct military equipment and armament is fair and reasonable in respect of the scale of forces laid down under (15); and that the limits fixed by the Council shall not be exceeded without its permission.

17. That all factories for the production of direct weapons of war shall be nationalized and their production shall be subject to the inspection of the officers of the Council; and that the Council shall be furnished periodically with returns of imports and exports of munitions of war into or from the territories of its members, and as far as possible into or from other countries.

18. That the Peace Treaty shall provide that the members of the League bind themselves jointly and severally not to go to war with one another:—

(a) without previously submitting the matter in dispute to arbitration or inquiry by the Council of the League; and

(b) until there has been an award or a report by the Council; and

(c) not even then, as against a member which complies with the award or recommendation (if any) made by the Council in its report.

19. That the Peace Treaty shall provide that if any member of the League breaks its covenant under paragraph (18), it shall *ipso facto* become at war with all the other members of the League, which shall subject it to complete economic and financial boycott, including the severance of all trade and financial relations and the prohibition of all intercourse between their subjects and the subjects of the covenant-breaking State, and the prevention, as far as possible, of the subjects of the covenant-breaking State from having any commercial or financial intercourse with the subjects of any other State, whether a member of the League or not.

While all the members of the League are obliged to take the above measures, it is left to the Council to decide what effective naval or military force the members shall contribute, and, if advisable, to absolve the smaller members of the League from making such contribution.

The covenant-breaking State shall, after the restoration of peace, be subject to perpetual disarmament and to the peaceful régime established for new States under paragraph (8).

20. That the Peace Treaty shall further provide that if a dispute should arise between any members of the League as to the interpretation of a treaty, or as to any question of international law, or as to any fact which if established would constitute a breach of any international obligation, or as to any damage alleged and the nature and measure of the reparation to be made thereto, and if such dispute cannot be settled by negotiation, the members bind themselves to submit the dispute to arbitration and to carry out any award or decision which may be rendered.

21. That if on any ground it proves impracticable to refer such dispute to arbitration, either party to the dispute may apply to the Council to take the matter of the dispute into consideration. The Council shall give notice of the application to the other party and make the necessary arrangements for the hearing of the dispute.

The Council shall ascertain the facts with regard to the dispute and make recommendations based on the merits and calculated to secure a just and lasting settlement. Other members of the League shall place at the disposal of the League all information in their possession which bears on the dispute. The Council shall do its utmost by mediation and conciliation to induce the disputants to agree to a peaceful settlement. The recommendations shall be addressed to the disputants and shall not have the force of decisions. If either party threatens to go to war in spite of the recommendations, the Council shall publish its recommendations. If the Council fails to arrive at recommendations, both the majority and the minority on the Council may publish statements of the respective recommendations they favour, and such publications shall not be regarded as an unfriendly act by either of the disputants.

DOCUMENT 12.

President Wilson's second draft (first printed draft) of the Covenant, distributed January 10, 1919.

COVENANT.

PREAMBLE.

In order to secure peace, security, and orderly government by the prescription of open, just, and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, the Powers signatory to this covenant and agreement jointly and severally adopt this constitution of the League of Nations.

ARTICLE I.—The action of the Signatory Powers under the terms of this agreement shall be effected through the instrumentality of a Body of Delegates which shall consist of the ambassadors and ministers of the contracting Powers accredited to H. and the Minister for Foreign Affairs of H. The meetings of the Body of Delegates shall be held at the seat of government of H. and the Minister for Foreign affairs of H. shall be the presiding officer of the Body.

Whenever the Delegates deem it necessary or advisable, they may meet temporarily at the seat of government of B. or of S., in which case the Ambassador or Minister to H. of the country in which the meeting is held shall be the presiding officer *pro tempore*.

It shall be the privilege of any of the contracting Powers to assist its representative in the Body of Delegates by any method of conference, counsel, or advice that may seem

best to it, and also to substitute upon occasion a special representative for its regular diplomatic representative accredited to H.

ARTICLE II.—The Body of Delegates shall regulate their own procedure and shall have power to appoint such committees as they may deem necessary to inquire into and report upon any matters that lie within the field of their action.

It shall be the right of the Body of Delegates, upon the initiative of any member, to discuss, either publicly or privately as it may deem best, any matter lying within the jurisdiction of the League of Nations as defined in this Covenant, or any matter likely to affect the peace of the world; but all actions of the Body of Delegates taken in the exercise of the functions and powers granted to them under this Covenant shall be first formulated and agreed upon by an Executive Council, which shall act either by reference or upon its own initiative and which shall consist of the representatives of the Great Powers together with representatives drawn in annual rotation from two panels, one of which shall be made up of the representatives of the States ranking next after the Great Powers and the other of the representatives of the minor States (a classification which the Body of Delegates shall itself establish and may from time to time alter), such a number being drawn from these panels as will be but one less than the representatives of the Great Powers; and three or more negative votes in the Council shall operate as a veto upon any action or resolution proposed.

All resolutions passed or actions taken by the Body of Delegates upon the recommendation of the Executive Council, except those adopted in execution of any direct powers herein granted to the Body of Delegates themselves, shall have the effect of recommendations to the several governments of the League.

The Executive Council shall appoint a permanent Secretariat and staff and may appoint joint committees chosen from the Body of Delegates or consisting of specially qualified persons outside of that Body, for the study and systematic consideration of the international

questions with which the Council may have to deal, or of questions likely to lead to international complications or disputes. It shall also take the necessary steps to establish and maintain proper liaison both with the foreign offices of the signatory powers and with any governments or agencies which may be acting as mandatories of the League of Nations in any part of the world.

ARTICLE III.—The Contracting Powers unite in guaranteeing to each other political independence and territorial integrity; but it is understood between them that such territorial readjustments, if any, as may in the future become necessary by reason of changes in present racial conditions and aspirations or present social and political relationships, pursuant to the principle of self-determination, and also such territorial readjustments as may in the judgment of three-fourths of the Delegates be demanded by the welfare and manifest interest of the peoples concerned, may be effected if agreeable to those peoples; and that territorial changes may in equity involve material compensation. The Contracting Powers accept without reservation the principle that the peace of the world is superior in importance to every question of Political jurisdiction or boundary.

ARTICLE IV.—The Contracting Powers recognize the principle that the establishment and maintenance of peace will require the reduction of national armaments to the lowest point consistent with domestic safety and the enforcement by common action of international obligations; and the Delegates are directed to formulate at once plans by which such a reduction may be brought about. The plan so formulated shall be binding when, and only when, unanimously approved by the Governments signatory to this Covenant.

As the basis for such a reduction of armaments, all the Powers subscribing to the Treaty of Peace of which this Covenant constitutes a part hereby agree to abolish conscription and all other forms of compulsory military service, and also agree that their future forces of defence and of international action shall consist of militia or volunteers, whose numbers and methods of training shall

be fixed, after expert inquiry, by the agreements with regard to the reduction of armaments referred to in the last preceding paragraph.

The Body of Delegates shall also determine for the consideration and action of the several governments what direct military equipment and armament is fair and reasonable in proportion to the scale of forces laid down in the programme of disarmament; and these limits, when adopted, shall not be exceeded without the permission of the Body of Delegates.

The Contracting Powers further agree that munitions and implements of war shall not be manufactured by private enterprise or for private profit, and that there shall be full and frank publicity as to all national armaments and military or naval programmes.

ARTICLE V.—The Contracting Powers jointly and severally agree that, should disputes or difficulties arise between or among them which cannot be satisfactorily settled or adjusted by the ordinary processes of diplomacy, they will in no case resort to armed force without previously submitting the questions and matters involved either to arbitration or to inquiry by the Executive Council of the Body of Delegates or until there has been an award by the arbitrators or a decision by the Executive Council; and that they will not even then resort to armed force as against a member of the League of Nations who complies with the award of the arbitrators or the decision of the Executive Council.

The Powers signatory to this Covenant undertake and agree that whenever any dispute or difficulty shall arise between or among them with regard to any question of the law of nations, with regard to the interpretation of a treaty, as to any fact which would, if established, constitute a breach of international obligation, or as to any alleged damage and the nature and measure of the reparation to be made therefor, if such dispute or difficulty cannot be satisfactorily settled by the ordinary processes of negotiation, to submit the whole subject matter to arbitration and to carry out in full good faith any award or decision that may be rendered.

In case of arbitration, the matter or matters at issue shall be referred to three arbitrators, one of the three to be selected by each of the parties to the dispute, when there are but two such parties, and the third by the two thus selected. When there are more than two parties to the dispute, one arbitrator shall be named by each of the several parties and the arbitrators thus named shall add to their number others of their own choice, the number thus added to be limited to the number which will suffice to give a deciding voice to the arbitrators thus added in case of tie vote among the arbitrators chosen by the contending parties. In case the arbitrators chosen by the contending parties cannot agree upon an additional arbitrator or arbitrators, the additional arbitrator or arbitrators shall be chosen by the Body of Delegates.

On the appeal of a party to the dispute the decision of the arbitrators may be set aside by a vote of three-fourths of the Delegates, in case the decision of the arbitrators was unanimous, or by a vote of two-thirds of the Delegates in case the decision of the arbitrators was not unanimous, but unless thus set aside shall be finally binding and conclusive.

When any decision of arbitrators shall have been thus set aside, the dispute shall again be submitted to arbitrators chosen as heretofore provided, none of whom shall, however, have previously acted as arbitrators in the dispute in question, and the decision of the arbitrators rendered in this second arbitration shall be finally binding and conclusive without right of appeal.

If for any reason it should prove impracticable to refer any matter in dispute to arbitration, the parties to the dispute shall apply to the Executive Council to take the matter under consideration for such mediatory action or recommendation as it may deem wise in the circumstances. The Council shall immediately accept the reference and give notice to the other party or parties and shall make the necessary arrangements for a full hearing, investigation, and consideration. It shall ascertain all the facts involved in the dispute and shall make such recommendations as it may deem wise and practicable based on the merits of the

controversy and calculated to secure a just and lasting settlement. Other members of the League shall place at the disposal of the Executive Council any and all information that may be in their possession which in any way bears upon the facts or merits of the controversy; and the Executive Council shall do everything in its power by way of mediation or conciliation to bring about a peaceful settlement. The decisions of the Executive Council shall be addressed to the disputants, and shall not have the force of a binding verdict. Should the Executive Council fail to arrive at any conclusion, it shall be the privilege of the members of the Executive Council to publish their several conclusions or recommendations; and such publications shall not be regarded as an unfriendly act by either or any of the disputants.

ARTICLE VI.—Should any contracting Power break or disregard its covenants under ARTICLE V, it shall thereby *ipso facto* become at war with all the members of the League, which shall immediately subject it to a complete economic and financial boycott, including the severance of all trade or financial relations, the prohibition of all intercourse between their subjects and the subjects of the covenant-breaking State, and the prevention, so far as possible, of all financial, commercial, or personal intercourse between the subjects of the covenant-breaking State and the subjects of any other State, whether a member of the League of Nations or not.

It shall be the privilege and duty of the Executive Council of the Body of Delegates in such a case to recommend what effective military or naval force the members of the League of Nations shall severally contribute, and to advise, if it should think best, that the smaller members of the League be excused from making any contribution to the armed forces to be used against the covenant-breaking State.

The covenant-breaking State shall, after the restoration of peace, be subject to perpetual disarmament and to the regulations with regard to a peace establishment provided for new States under the terms SUPPLEMENTARY ARTICLE 3.

ARTICLE VII.—If any Power shall declare war or begin hostilities, or take any hostile step short of war, against another Power before submitting the dispute involved to arbitrators or consideration by the Executive Council as herein provided, or shall declare war or begin hostilities, or take any hostile step short of war, in regard to any dispute which has been decided adversely to it by arbitrators chosen and empowered as herein provided, the Contracting Powers hereby bind themselves not only to cease all commerce and intercourse with that Power but also to unite in blockading and closing the frontiers of that Power to commerce or intercourse with any part of the world and to use any force that may be necessary to accomplish that object.

ARTICLE VIII.—Any war or threat of war, whether immediately affecting any of the Contracting Powers or not, is hereby declared a matter of concern to the League of Nations and to all the Powers signatory hereto, and those Powers hereby reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

It is hereby also declared and agreed to be the friendly right of each of the nations signatory or adherent to this Covenant to draw the attention of the Body of Delegates to any circumstances anywhere which threaten to disturb international peace or the good understanding between nations upon which peace depends.

The Delegates shall meet in the interest of peace whenever war is rumored or threatened, and also whenever the Delegate of any Power shall inform the Delegates that a meeting and conference in the interest of peace is advisable.

The Delegates may also meet at such other times and upon such other occasions as they shall from time to time deem best and determine.

ARTICLE IX.—In the event of a dispute arising between one of the Contracting Powers and a Power not a party to this Covenant, the Contracting Power involved hereby binds itself to endeavor to obtain the submission of the dispute to judicial decision or to arbitration. If the other

Power will not agree to submit the dispute to judicial decision or to arbitration, the Contracting Power shall bring the matter to the attention of the Body of Delegates. The Delegates shall in such a case, in the name of the League of Nations, invite the Power not a party to this Covenant to become *ad hoc* a party and to submit its case to judicial decision or to arbitration, and if that Power consents it is hereby agreed that the provisions hereinbefore contained and applicable to the submission of disputes to arbitration or discussion shall be in all respects applicable to the dispute both in favour of and against such Power as if it were a party to this Covenant.

In case the Power not a party to this Covenant shall not accept the invitation of the Delegates to become *ad hoc* a party, it shall be the duty of the Executive Council immediately to institute an inquiry into the circumstances and merits of the dispute involved and to recommend such joint action by the Contracting Powers as may seem best and most effectual in the circumstances disclosed.

ARTICLE X.—If hostilities should be begun or any hostile action taken against the Contracting Power by the Power not a party to this Covenant before a decision of the dispute by arbitrators or before investigation, report and recommendation by the Executive Council in regard to the dispute, or contrary to such recommendation, the Contracting Powers shall thereupon cease all commerce and communication with that Power and shall also unite in blockading and closing the frontiers of that Power to all commerce or intercourse with any part of the world, employing jointly any force that may be necessary to accomplish that object. The Contracting Powers shall also unite in coming to the assistance of the Contracting Power against which hostile action has been taken, combining their armed forces in its behalf.

ARTICLE XI.—In case of a dispute between states not parties to this Covenant, any Contracting Power may bring the matter to the attention of the Delegates, who shall thereupon tender the good offices of the League of Nations with a view to the peaceable settlement of the dispute.

If one of the states, a party to the dispute, shall offer and agree to submit its interests and cause of action wholly to the control and decision of the League of Nations, that state shall *ad hoc* be deemed a Contracting Power. If no one of the states, parties to the dispute, shall so offer and agree, the Delegates shall, through the Executive Council, of their own motion take such action and make such recommendation to their governments as will prevent hostilities and result in the settlement of the dispute.

ARTICLE XII.—Any power not a party to this Covenant, whose government is based upon the principle of popular self-government, may apply to the Body of Delegates for leave to become a party. If the Delegates shall regard the granting thereof as likely to promote the peace, order, and security of the World, they may act favorably on the application, and their favorable action shall operate to constitute the Power so applying in all respects a full signatory party to this Covenant. This action shall require the affirmative vote of two-thirds of the Delegates.

ARTICLE XIII.—The Contracting Powers severally agree that the present Covenant and Convention is accepted as abrogating all treaty obligations *inter se* which are inconsistent with the terms hereof, and solemnly engage that they will not enter into any engagements inconsistent with the terms hereof.

In case any of the Powers signatory hereto or subsequently admitted to the League of Nations shall, before becoming a party to this Covenant, have undertaken any treaty obligations which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

SUPPLEMENTARY AGREEMENTS. I.—In respect of the peoples and territories which formerly belonged to Austria-Hungary, and to Turkey, and in respect of the colonies formerly under the dominion of the German Empire, the League of Nations shall be regarded as the residuary trustee with sovereign right of ultimate disposal or of continued administration in accordance with certain fundamental principles hereinafter set forth; and this re-

version and control shall exclude all rights or privileges of annexation on the part of any Power.

These principles are, that there shall in no case be any annexation of any of these territories by any State either within the League or outside of it, and that in the future government of these peoples and territories the rule of self-determination, or the consent of the governed to their form of government, shall be fairly and reasonably applied and all policies of administration or economic development be based primarily upon the well-considered interests of the people themselves.

II.—Any authority, control, or administration which may be necessary in respect of these peoples or territories other than their own self-determined and self-organized autonomy shall be the exclusive function of and shall be vested in the League of Nations and exercised or undertaken by or on behalf of it.

It shall be lawful for the League of Nations to delegate its authority, control, or administration of any such people or territory to some single State or organized agency which it may designate and appoint as its agent or mandatory; but whenever or wherever possible or feasible the agent or mandatory so appointed shall be nominated or approved by the autonomous people or territory.

III.—The degree of authority, control, or administration to be exercised by the mandatary State or agency shall in each case be explicitly defined by the League in a Special Act or Charter which shall reserve to the League complete power of supervision and of intimate control, and which shall also reserve to the people of any such territory or governmental unit the right to appeal to the League for the redress or correction of any breach of the mandate by the mandatary State or agency or for the substitution of some other State or agency, as mandatary.

The mandatary State or agency shall in all cases be bound and required to maintain the policy of the open door, or equal opportunity for all the signatories to this Covenant, in respect of the use and development of the economic resources of such people or territory.

The mandatary State or agency shall in no case form or maintain any military or naval force in excess of definite standards laid down by the League itself for the purposes of internal police.

IV.—No new State arising or created from the old Empires of Austria-Hungary, or Turkey shall be recognized by the League or admitted into its membership except on condition that its military and naval forces and armaments shall conform to standards prescribed by the League in respect of it from time to time.

As successor to the Empires, the League of Nations is empowered, directly and without right of delegation, to watch over the relations *inter se* of all new independent States arising or created out of the Empires, and shall assume and fulfil the duty of conciliating and composing differences between them with a view to the maintenance of settled order and the general peace.

V.—The Powers signatory or adherent to this Covenant agree that they will themselves seek to establish and maintain fair hours and humane conditions of labour for all those within their several jurisdictions who are engaged in manual labour and that they will exert their influence in favour of the adoption and maintenance of a similar policy and like safeguards wherever their industrial and commercial relations extend.

VI.—The League of Nations shall require all new States to bind themselves as a condition precedent to their recognition as independent or autonomous States, to accord to all racial or national minorities within their several jurisdictions exactly the same treatment and security, both in law and in fact, that is accorded the racial or national majority of their people.

DOCUMENT 13.

Memorandum of Major-General Tasker H. Bliss for President Wilson, January 14, 1919, criticizing the Draft of the Covenant (autographed original).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Hotel de Crillon, Paris,
January 14, 1919.

Suggestions in Regard to the Draft of the
COVENANT.

1. *Preamble*—There are some people who may be frightened at the use of the words "in order to secure . . . an orderly government". They may regard this as a suggestion of the possible use of the League of Nations to put down internal disorders wherever they occur. As the one essential object of the League of Nations is to prevent international war, and as the prevention of such war will be secured by the doing of the things set forth in the preamble, and as the prevention of such war results in security and will have the greatest tendency to produce orderly government, it is suggested for consideration that the first line of the preamble might read as follows:

"In order to prevent future international wars by the prescription of," etc., etc.

2. The idea in the word "COVENANT" is so good that it is suggested that it be adhered to in the subsequent phraseology, notwithstanding the repetition that will necessarily result. Thus, it is suggested, that the words, "Contracting Powers" be made to read "Covenanting

Powers"; and that, wherever the word "agreement" (referring to the constitution of the League of Nations) is used, it be replaced by the word "covenant."

3. It is suggested that there should be a positive declaration to provide against secret treaties. In no other way can the League be assured that an alliance may not be formed within itself, with a tendency adverse to the peace of the world. It is suggested that the right of the League to scrutinize individual treaties should be confined to the object of determining whether the treaty is for the purpose of effecting a private alliance.

4. *Article III.*—In the second line, after the word "integrity," insert the words "as against external aggression."

Do the words, which appear in Article III, "and also such territorial readjustments as may in the judgment of ¾ths of the Delegates be demanded by the welfare and manifest interest of the peoples concerned," contemplate the possibility of the League of Nations being called upon to consider such questions as the independence of Ireland, of India, etc., etc.?

5. *Article IV.*—It does not seem that so important a matter as the reduction of national armaments should be liable to a veto by the action of, possibly, one small power. All hope of disarmament consists in the action of the Great Powers. Until they agree to some disarmament there is no use in talking about the matter. When they should agree to disarm, they might well be permitted to exercise such pressure as they, in agreement, should think practicable in order to compel general disarmament.

6. *Article V.*—It would seem that some time limit,—say one year,—might well be fixed, within which an award by the arbitrators or a decision by the Executive Council must be rendered.

In clause 4 of Article V, should there not be some limits imposed on the right of appeal?

In the first sentence of clause 6 of Article V appear the words, "the *parties* to the dispute shall apply to the Executive Council," etc., etc. In the second sentence of the same clause appear the words, "the Council shall

immediately accept the reference and give notice to the *other* party or parties," etc., etc. It appears that a change in these wordings is necessary.

7. *Article VI.*—Is it the intent of this article to provide two steps, instead of one, in order to bring about the full status of international war? Is it intended that, first of all, there shall be a complete diplomatic, economic and financial pressure exerted, and that only in case this fails in attaining its object there shall be a resort to hostile acts of war as contemplated in the second clause of Article VI? If the latter be the intent, it is to be noted that the breaching Power, being at war with the League, may immediately use its land and naval forces against the League, while the latter must wait for a recommendation from the Executive Council before the several members of the League know what military and naval forces they are to contribute.

In the third clause of Article VI, omit the words "to perpetual disarmament and"; and change the figure 3 to the figure 4.

8. In regard to Articles VI and VII, it is again suggested that a careful consideration be given to seeing whether a form of words cannot be used that will largely accomplish the object in view, without appearing, in the mind of anyone, to yield (with respect to the United States) to the League of Nations powers which are vested in the American Congress.

9. *Article X.*—This article relates to a dispute between a Contracting Power and a Power which is not a party to this Covenant. The Article provides for action only in the case when the Power not a party to this Covenant "takes hostile action against one of the Contracting Powers before a decision of the dispute by arbitrators or before investigation, report and recommendation by the Executive Council in regard to the dispute, or contrary to such recommendation." There is no assumption that the Contracting Power itself may be in the wrong, and it is provided that all of the other Contracting Powers shall come to the assistance of the Contracting Powers against which hostile action has been taken. How shall

we provide for the case where the enlightened sense of the world holds the Contracting Power itself to be in the wrong?

It would seem that careful note should be taken of the possibility of a "Dred Scott" decision being made by the tribunal of the League of Nations.

10. *Article XI.*—Under the second clause of Article XI, there is the same possibility of the difficulty which may occur under Article X. Two nations not Covenanting Powers may have a dispute. One of them, which is in the wrong, offers to submit its interests to the decision of the League of Nations. This State immediately becomes, for the purposes of the dispute, one of the Contracting Powers; and as such, the League is bound to support it, right or wrong, as would be the case under Article X.

11. *Article XII.*—Change the word "may" at the end of the fourth line of this Article to the word "shall."

SUPPLEMENTARY AGREEMENTS.

1. *Article I.*—It would seem desirable to avoid phraseology that would give color to the idea that the proposed League of Nations has for one of its principal objects the control of situations growing out of the present war. If it is possible to avoid the use of the names "Austria-Hungary" and "Turkey" and "the German Empire" it is believed that it would be better.

2. Under the Supplementary Agreements, is it obligatory upon one of the Covenanting Powers to accept the functions of "agent or mandatory" appointed by the League of Nations, or may it decline to exercise this function?

3. What financial obligations are imposed upon a mandatory which accepts its functions as such? It is evident that a mandatory must establish a quasi supervising government of its own. It must appoint someone who will be its local director, and this latter must have a large staff of assistants. If the people of the United States accept this general proposition, they will have an interest in knowing the expense to which they may be

subjected. It is easily possible that the representative or agent of the mandatory cannot perform his functions without the support of a powerful military force. Will the United States, for example, be expected to maintain in some foreign country an armed force of their own in order to perform their functions as mandatory?

The sole object of the proposition of General Smuts is to bring the United States into line with Great Britain in exercising supervisory control over certain areas of the earth. The people of the United States will understand that a great burden is contemplated to be thrust upon them by this plan. It is believed that to secure good chance of acceptance by the United States these things should be made clear, or else it should be made clear that no state can be made a mandatory without its own cordial consent.

In the third clause of Article III, it should be made clear that the mandatory state is not to maintain a military force, of *native* troops, in the state of which it is the mandatory, in excess of the standard laid down by the League. This provision in General Smuts's plan is evidently to prevent a nation, acting as mandatory over a densely populated area, from there raising a great military force *under the guise of internal police*, which might be used by the mandatory in case of a war outside of this area.

4. In the first clause of Article IV, the provision with respect to conformity to certain standards as to military and naval forces might well be made to apply to all states entering the League after the date of its creation, instead of making them simply apply to territories of the former empires of Austria-Hungary and of Turkey. This will assist in avoiding the giving to the League of Nations the appearance of being a new form of the old Holy Alliance.

It is not improbable that before the League of Nations can become an accomplished fact, it may be quite as desirable "to watch over the relations *inter se* of all new and independent states arising or created out of the empires of Russia and Germany as it is to do so over the

states created out of Austria-Hungary or Turkey. It would seem that this may be an additional reason for omitting, if possible, reference to any existing or formerly existing state *by name.*

[*Signed*] TASKER H. BLISS.

DOCUMENT 14.

Third draft of the Covenant of the League of Nations made by President Wilson. This was intended to form the basis of the discussion in the League of Nations commission, but owing to the pressure on President Wilson's time he was unable to complete it to his satisfaction, and therefore accepted the compromise Hurst-Miller draft as the basis of discussion.

COVENANT.

PREAMBLE.

In order to secure international peace and security by the prescription of open, just, and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, and in order to promote international coöperation, the Powers signatory to this covenant and agreement jointly and severally adopt this constitution of the League of Nations.

ARTICLE I.—The action of the Signatory Powers under the terms of this covenant shall be effected through the instrumentality of a Body of Delegates which shall consist of the ambassadors and ministers of the contracting Powers accredited to H. and the Minister for Foreign Affairs of H. The meetings of the Body of Delegates shall be held at the seat of government of H. and the Minister for Foreign Affairs of H. shall be the presiding officer of the Body.

Whenever the Delegates deem it necessary or advisable, they may meet temporarily at the seat of government of

B. or of S., in which case the Ambassador or Minister to H. of the country in which the meeting is held shall be the presiding officer *pro tempore.*

It shall be the privilege of any of the contracting Powers to assist its representative in the Body of Delegates by any method of conference, counsel, or advice that may seem best to it, and also to substitute upon occasion a special representative for its regular diplomatic representative accredited to H.

ARTICLE II.—The Body of Delegates shall regulate their own procedure and shall have power to appoint such committees as they may deem necessary to inquire into and report upon any matters that lie within the field of their action.

It shall be the right of the Body of Delegates, upon the initiative of any member, to discuss, either publicly or privately as it may deem best, any matter lying within the jurisdiction of the League of Nations as defined in this covenant, or any matter likely to affect the peace of the world; but all actions of the Body of Delegates taken in the exercise of the functions and powers granted to them under this Covenant shall be formulated and agreed upon by an Executive Council, which shall act either by reference or upon its own initiative and which shall consist of the representatives of the Great Powers, together with representatives drawn in annual rotation from two panels, one of which shall be made up of the representatives of the States ranking next after the Great Powers and the other of the representatives of the minor States (a classification which the Body of Delegates shall itself establish and may from time to time alter), such a number being drawn from these panels as will be but one less than the representatives of the Great Powers; and three or more negative votes in the Council shall operate as a veto upon any action or resolution proposed.

All resolutions passed or actions taken by the Executive Council, except those adopted in execution of any direct powers herein granted to the Body of Delegates themselves, shall have the effect of recommendations to the several governments of the League.

The Executive Council shall appoint a permanent Secretariat and staff and may appoint joint committees, chosen from the Body of Delegates or consisting of specially qualified persons outside of that Body, for the study and systematic consideration of the international questions with which the Council may have to deal, or of questions likely to lead to international complications or disputes. It shall also take the necessary steps to establish and maintain proper liaison both with the foreign offices of the signatory powers and with any governments or agencies which may be acting as mandatories of the League of Nations in any part of the world.

ARTICLE III.—The Contracting Powers unite in guaranteeing to each other political independence and territorial integrity as against external aggression; but it is understood between them that such territorial readjustments, if any, as may in the future become necessary by reason of changes in present racial conditions and aspirations or present social and political relationships, pursuant to the principle of self-determination, and also such territorial readjustments as may in the judgment of three-fourths of the Delegates be demanded by the welfare and manifest interest of the peoples concerned, may be effected if agreeable to those peoples and to the States from which the territory is separated or to which it is added; and that territorial changes may in equity involve material compensation. The Contracting Powers accept without reservation the principle that the peace of the world is superior in importance to every question of Political jurisdiction or boundary.

ARTICLE IV.—The Contracting Powers recognize the principle that the establishment and maintenance of peace will require the reduction of national armaments to the lowest point consistent with domestic safety and the enforcement by common action of international obligations; and the Executive Council is directed to formulate at once plans by which such a reduction may be brought about. The plan so formulated shall be binding when, and only when, unanimously approved by the Governments signatory to this Covenant.

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stitute a breach of international obligation, or as to any alleged damage and the nature and measure of the reparation to be made therefor, if such dispute or difficulty cannot be satisfactorily settled by the ordinary processes of negotiation, to submit the whole subject matter to arbitration and to carry out in full good faith any award or decision that may be rendered.

In case of arbitration, the matter or matters at issue shall be referred to three arbitrators, one of the three to be selected by each of the parties to the dispute, from outside their own nations, when there are but two such parties, and the third by the two thus selected. When there are more than two parties to the dispute, one arbitrator shall be named by each of the several parties and the arbitrators thus named shall add to their number others of their own choice, the number thus added to be limited in case of a tie vote among the arbitrators chosen by the contending parties. In case the arbitrators chosen by the contending parties cannot agree upon an additional arbitrator or arbitrators, the additional arbitrator or arbitrators shall be chosen by the Executive Council.

On the appeal of a party to the dispute the decision of the arbitrators may be set aside by a vote of three-fourths of the Delegates, in case the decision of the arbitrators was unanimous, or by a vote of two-thirds of the Delegates in case the decision of the arbitrators was not unanimous, but unless thus set aside shall be finally binding and conclusive.

When any decision of arbitrators shall have been thus set aside, the dispute shall again be submitted to arbitrators chosen as heretofore provided, none of whom shall, however, have previously acted as arbitrators in the dispute in question, and the decision of the arbitrators rendered in this second arbitration shall be finally binding and conclusive without right of appeal.

If for any reason it should prove impracticable to refer any matter in dispute to arbitration, the parties to the dispute shall apply to the Executive Council to take the matter under consideration for such mediatory action or recommendation as it may deem wise in the circumstances.

The Council shall immediately accept the reference and give notice to the parties, and shall make the necessary arrangements for a full hearing, investigation, and consideration. It shall ascertain and as soon as possible make public all the facts involved in the dispute and shall make such recommendations as it may deem wise and practicable based on the merits of the controversy and calculated to secure a just and lasting settlement. Other members of the League shall place at the disposal of the Executive Council any and all information that may be in their possession which in any way bears upon the facts or merits of the controversy; and the Executive Council shall do everything in its power by way of mediation or conciliation to bring about a peaceful settlement. The decisions of the Executive Council shall be addressed to the disputants, and shall not have the force of a binding verdict. Should the Executive Council fail to arrive at any conclusion, it shall be the privilege of the members of the Executive Council to publish their several conclusions or recommendations; and such publications shall not be regarded as an unfriendly act by either or any of the disputants.

Every award by arbitrators and every decision by the Executive Council upon a matter in dispute between States must be rendered within twelve months after formal reference.

ARTICLE VI.—Should any contracting power break or disregard its covenants under Article V, it shall thereby *ipso facto* be deemed to have committed an act of war against all the members of the League, which shall immediately subject it to a complete economic and financial boycott, including the severance of all trade or financial relations, the prohibition of all intercourse between their subjects and the subjects of the covenant-breaking State, and the prevention, so far as possible, of all financial, commercial, or personal intercourse between the subjects of the covenant-breaking State and the subjects of any other State, whether a member of the League of Nations or not.

It shall be the privilege and duty of the Executive

Council of the Body of Delegates in such a case to recommend what effective military or naval force the members of the League of Nations shall severally contribute, and to advise, if it should think best, that the smaller members of the League be excused from making any contribution to the armed forces to be used against the covenant-breaking State.

The covenant-breaking State shall, after the restoration of peace, be subject to the regulations with regard to a peace establishment provided for new States under the terms Supplementary Article IV.

ARTICLE VII.—If any Power shall declare war or begin hostilities, or take any hostile step short of war, against another Power before submitting the dispute involved to arbitrators or consideration by the Executive Council as herein provided, or shall declare war or begin hostilities, or take any hostile step short of war, in regard to any dispute which has been decided adversely to it by arbitrators chosen and empowered as herein provided, the Contracting Powers hereby engage not only to cease all commerce and intercourse with that Power but also to unite in blockading and closing the frontiers of that Power to commerce or intercourse with any part of the world and to use any force that may be necessary to accomplish that object.

ARTICLE VIII.—Any war or threat of war, whether immediately effecting any of the Contracting Powers or not, is hereby declared a matter of concern to the League of Nations and to all the Powers signatory hereto, and those Powers hereby reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

It is hereby also declared and agreed to be the friendly right of each of the nations signatory or adherent to this Covenant to draw the attention of the Body of Delegates or of the Executive Council to any circumstances anywhere which threaten to disturb international peace or the good understanding between nations upon which peace depends.

The Delegates and the Executive Council shall meet in the interest of peace whether war is rumored or threatened,

and also whether the Delegates of any Power shall inform the Delegates that a meeting and conference in the interest of peace is advisable.

The Delegates may also meet at such other times and upon such other occasions as they shall from time to time deem best and determine.

ARTICLE IX.—In the event of a dispute arising between one of the Contracting Powers and a Power not a party to this Covenant, the Contracting Power involved hereby binds itself to endeavor to obtain the submission of the dispute to judicial decision or to arbitration. If the other Power will not agree to submit the dispute to judicial decision or to arbitration, the Contracting Power shall bring the matter to the attention of the Executive Council. The Delegates shall in such a case, in the name of the League of Nations, invite the Power not a party to this Covenant to become *ad hoc* a party and to submit its case to judicial decision or to arbitration, and if that Power consents it is hereby agreed that the provisions hereinbefore contained and applicable to the submission of disputes to arbitration or discussion shall be in all respects applicable to the dispute both in favor of and against such Power as if it were a party to this Covenant.

In case the Power not a party to this Covenant shall not accept the invitation of the Executive Council to become *ad hoc* a party, it shall be the duty of the Executive Council immediately to institute an inquiry into the circumstances and merits of the dispute involved and to recommend such joint action by the Contracting Powers as may seem best and most effectual in the circumstances disclosed.

ARTICLE X.—If hostilities should be begun or any hostile action taken against the Contracting Power by the Power not a party to this Covenant before a decision of the dispute by arbitration or before investigation, report and recommendation by the Executive Council in regard to the dispute, or contrary to such recommendation, the Contracting Powers engage thereupon to cease all commerce and communication with that Power and also to unite in blockading and closing the frontiers of that Power to all

commerce or intercourse with any part of the world, and to employ jointly any force that may be necessary to accomplish that object. The Contracting Powers also undertake to unite in coming to the assistance of the Contracting Power against which hostile action has been taken, and to combine their armed forces in its behalf.

ARTICLE XI.—In case of a dispute between states not parties to this Covenant, any Contracting Power may bring the matter to the attention of the Delegates or the Executive Council, who shall thereupon tender the good offices of the League of Nations with a view to the peaceable settlement of the dispute.

If one of the states, a party to the dispute, shall offer and agree to submit its interests and cause of action wholly to the control and decision of the League of Nations, that State shall *ad hoc* be deemed a Contracting Power. If no one of the states, parties to the dispute, shall so offer and agree, the Delegates shall, through the Executive Council, of their own motion take such action and make such recommendation to their governments as will prevent hostilities and result in the settlement of the dispute.

ARTICLE XII.—Any Power not a party to this Covenant, whose government is based upon the principle of popular self-government, may apply to the Body of Delegates for leave to become a party. If the Delegates shall regard the granting thereof as likely to promote the peace, order, and security of the World, they shall act favorably on the application, and their favorable action shall operate to constitute the Power so applying in all respects a full signatory party to this Covenant. This action shall require the affirmative vote of two-thirds of the Delegates.

ARTICLE XIII.—The Contracting Powers severally agree that the present Covenant and Convention is accepted as abrogating all treaty obligations *inter se* which are inconsistent with the terms hereof, and solemnly engage that they will not enter into any engagements inconsistent with the terms hereof.

In case any of the Powers signatory hereto or subsequently admitted to the League of Nations shall, before

becoming a party to this Covenant, have undertaken any treaty obligations which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

SUPPLEMENTARY AGREEMENTS.

I.—In respect of the peoples and territories which formerly belonged to Austria-Hungary, and to Turkey, and in respect of the colonies formerly under the dominion of the German Empire, the League of Nations shall be regarded as the residuary trustee with the right of oversight or administration in accordance with certain fundamental principles hereinafter set forth; and this reversion and control shall exclude all rights or privileges of annexation on the part of any Power.

These principles are, that there shall in no case be any annexation of any of these territories by any State either within the League or outside of it, and that in the future government of these peoples and territories the rule of self-determination, or the consent of the governed to their form of government, shall be fairly and reasonably applied, and all policies of administration or economic development be based primarily upon the well-considered interests of the people themselves.

II.—Any authority, control, or administration which may be necessary in respect of these peoples or territories other than their own self-determined and self-organized autonomy shall be the exclusive functions of and shall be vested in the League of Nations, and exercised or undertaken by or on behalf of it.

It shall be lawful for the League of Nations to delegate its authority, control, or administration of any such people or territory to some single State or organized agency which it may designate and appoint as its agent or mandatory; but whenever or wherever possible or feasible the agent or mandatory so appointed shall be nominated or approved by the autonomous people or territory.

III.—The degree of authority, control, or administra-

tion to be exercised by the mandatory State or agency shall in each case be explicitly defined by the Executive Council in a special Act or Charter which shall reserve to the League complete power of supervision, and which shall also reserve to the people of any such territory or governmental unit the right to appeal to the League for the redress or correction of any breach of the mandate by the mandatory State or agency or for the substitution of some other State or agency, as mandatory.

The mandatory State or agency shall in all cases be bound and required to maintain the policy of the open door, or equal opportunity for all the signatories to this Covenant, in respect of the use and development of the economic resources of such people or territory.

The mandatory State or agency shall in no case form or maintain any military or naval force, native or other, in excess of definite standards laid down by the League itself for the purposes of internal police.

Any expense the mandatory State or agency may be put to in the exercise of its functions under the mandate, so far as they cannot be borne by the resources of the people or territory under its charge upon a fair basis of assessment and charge, shall be borne by the several signatory Powers, their several contributions being assessed and determined by the Executive Council in proportion to their several national budgets, unless the mandatory State or agency is willing itself to bear the excess costs; and in all cases the expenditures of the mandatory Power or agency in the exercise of the mandate shall be subject to the audit and authorization of the League.

The object of all such tutelary oversight and administration on the part of the League of Nations shall be to build up in as short a time as possible out of the people or territory under its guardianship a political unit which can take charge of its own affairs, determine its own connections, and choose its own policies. The League may at any time release such a people or territory from tutelage and consent to its being set up as an independent unit. It shall also be the right and privilege of any people or territory to petition the League to take such action, and

B. or of S., in which case the Ambassador or Minister to H. of the country in which the meeting is held shall be the presiding officer *pro tempore.*

It shall be the privilege of any of the contracting Powers to assist its representative in the Body of Delegates by any method of conference, counsel, or advice that may seem best to it, and also to substitute upon occasion a special representative for its regular diplomatic representative accredited to H.

ARTICLE II.—The Body of Delegates shall regulate their own procedure and shall have power to appoint such committees as they may deem necessary to inquire into and report upon any matters that lie within the field of their action.

It shall be the right of the Body of Delegates, upon the initiative of any member, to discuss, either publicly or privately as it may deem best, any matter lying within the jurisdiction of the League of Nations as defined in this covenant, or any matter likely to affect the peace of the world; but all actions of the Body of Delegates taken in the exercise of the functions and powers granted to them under this Covenant shall be formulated and agreed upon by an Executive Council, which shall act either by reference or upon its own initiative and which shall consist of the representatives of the Great Powers, together with representatives drawn in annual rotation from two panels, one of which shall be made up of the representatives of the States ranking next after the Great Powers and the other of the representatives of the minor States (a classification which the Body of Delegates shall itself establish and may from time to time alter), such a number being drawn from these panels as will be but one less than the representatives of the Great Powers; and three or more negative votes in the Council shall operate as a veto upon any action or resolution proposed.

All resolutions passed or actions taken by the Executive Council, except those adopted in execution of any direct powers herein granted to the Body of Delegates themselves, shall have the effect of recommendations to the several governments of the League.

The Executive Council shall appoint a permanent Secretariat and staff and may appoint joint committees, chosen from the Body of Delegates or consisting of specially qualified persons outside of that Body, for the study and systematic consideration of the international questions with which the Council may have to deal, or of questions likely to lead to international complications or disputes. It shall also take the necessary steps to establish and maintain proper liaison both with the foreign offices of the signatory powers and with any governments or agencies which may be acting as mandatories of the League of Nations in any part of the world.

ARTICLE III.—The Contracting Powers unite in guaranteeing to each other political independence and territorial integrity as against external aggression; but it is understood between them that such territorial readjustments, if any, as may in the future become necessary by reason of changes in present racial conditions and aspirations or present social and political relationships, pursuant to the principle of self-determination, and also such territorial readjustments as may in the judgment of three-fourths of the Delegates be demanded by the welfare and manifest interest of the peoples concerned, may be effected if agreeable to those peoples and to the States from which the territory is separated or to which it is added; and that territorial changes may in equity involve material compensation. The Contracting Powers accept without reservation the principle that the peace of the world is superior in importance to every question of Political jurisdiction or boundary.

ARTICLE IV.—The Contracting Powers recognize the principle that the establishment and maintenance of peace will require the reduction of national armaments to the lowest point consistent with domestic safety and the enforcement by common action of international obligations; and the Executive Council is directed to formulate at once plans by which such a reduction may be brought about. The plan so formulated shall be binding when, and only when, unanimously approved by the Governments signatory to this Covenant.

As the basis for such a reduction of armaments, all the Powers subscribing to the Treaty of Peace of which this Covenant constitutes a part hereby agree to abolish conscription and all other forms of compulsory military service, and also agree that their future forces of defense and of international action shall consist of militia or volunteers, whose numbers and methods of training shall be fixed, after expert inquiry, by the agreements with regard to the reduction of armaments referred to in the last preceding paragraph.

The Executive Council shall also determine for the consideration and action of the several governments what direct military equipment and armament is fair and reasonable in proportion to the scale of forces laid down in the programme of disarmament; and these limits, when adopted, shall not be exceeded without the permission of the Body of Delegates.

The Contracting Powers further agree that munitions and implements of war shall not be manufactured by private enterprise or for private profit, and that there shall be full and frank publicity as to all national armaments and military or naval programmes.

ARTICLE V.—The Contracting Powers jointly and severally agree that should disputes or difficulties arise between or among them which cannot be satisfactorily settled or adjusted by the ordinary processes of diplomacy, they will in no case resort to armed force without previously submitting the questions and matters involved either to arbitration or to inquiry by the Executive Council of the Body of Delegates or until there has been an award by the arbitrators or a decision by the Executive Council; and that they will not even then resort to armed force as against a member of the League of Nations who complies with the award of the arbitrators or the decision of the Executive Council.

The Powers signatory to this Covenant undertake and agree that whenever any dispute or difficulty shall arise between or among them with regard to any question of the law of nations, with regard to the interpretation of a treaty, as to any fact which would, if established, con-

stitute a breach of international obligation, or as to any alleged damage and the nature and measure of the reparation to be made therefor, if such dispute or difficulty cannot be satisfactorily settled by the ordinary processes of negotiation, to submit the whole subject matter to arbitration and to carry out in full good faith any award or decision that may be rendered.

In case of arbitration, the matter or matters at issue shall be referred to three arbitrators, one of the three to be selected by each of the parties to the dispute, from outside their own nations, when there are but two such parties, and the third by the two thus selected. When there are more than two parties to the dispute, one arbitrator shall be named by each of the several parties and the arbitrators thus named shall add to their number others of their own choice, the number thus added to be limited in case of a tie vote among the arbitrators chosen by the contending parties. In case the arbitrators chosen by the contending parties cannot agree upon an additional arbitrator or arbitrators, the additional arbitrator or arbitrators shall be chosen by the Executive Council.

On the appeal of a party to the dispute the decision of the arbitrators may be set aside by a vote of three-fourths of the Delegates, in case the decision of the arbitrators was unanimous, or by a vote of two-thirds of the Delegates in case the decision of the arbitrators was not unanimous, but unless thus set aside shall be finally binding and conclusive.

When any decision of arbitrators shall have been thus set aside, the dispute shall again be submitted to arbitrators chosen as heretofore provided, none of whom shall, however, have previously acted as arbitrators in the dispute in question, and the decision of the arbitrators rendered in this second arbitration shall be finally binding and conclusive without right of appeal.

If for any reason it should prove impracticable to refer any matter in dispute to arbitration, the parties to the dispute shall apply to the Executive Council to take the matter under consideration for such mediatory action or recommendation as it may deem wise in the circumstances.

The Council shall immediately accept the reference and give notice to the parties, and shall make the necessary arrangements for a full hearing, investigation, and consideration. It shall ascertain and as soon as possible make public all the facts involved in the dispute and shall make such recommendations as it may deem wise and practicable based on the merits of the controversy and calculated to secure a just and lasting settlement. Other members of the League shall place at the disposal of the Executive Council any and all information that may be in their possession which in any way bears upon the facts or merits of the controversy; and the Executive Council shall do everything in its power by way of mediation or conciliation to bring about a peaceful settlement. The decisions of the Executive Council shall be addressed to the disputants, and shall not have the force of a binding verdict. Should the Executive Council fail to arrive at any conclusion, it shall be the privilege of the members of the Executive Council to publish their several conclusions or recommendations; and such publications shall not be regarded as an unfriendly act by either or any of the disputants.

Every award by arbitrators and every decision by the Executive Council upon a matter in dispute between States must be rendered within twelve months after formal reference.

ARTICLE VI.—Should any contracting power break or disregard its covenants under Article V, it shall thereby *ipso facto* be deemed to have committed an act of war against all the members of the League, which shall immediately subject it to a complete economic and financial boycott, including the severance of all trade or financial relations, the prohibition of all intercourse between their subjects and the subjects of the covenant-breaking State, and the prevention, so far as possible, of all financial, commercial, or personal intercourse between the subjects of the covenant-breaking State and the subjects of any other State, whether a member of the League of Nations or not.

It shall be the privilege and duty of the Executive

Council of the Body of Delegates in such a case to recommend what effective military or naval force the members of the League of Nations shall severally contribute, and to advise, if it should think best, that the smaller members of the League be excused from making any contribution to the armed forces to be used against the covenant-breaking State.

The covenant-breaking State shall, after the restoration of peace, be subject to the regulations with regard to a peace establishment provided for new States under the terms Supplementary Article IV.

ARTICLE VII.—If any Power shall declare war or begin hostilities, or take any hostile step short of war, against another Power before submitting the dispute involved to arbitrators or consideration by the Executive Council as herein provided, or shall declare war or begin hostilities, or take any hostile step short of war, in regard to any dispute which has been decided adversely to it by arbitrators chosen and empowered as herein provided, the Contracting Powers hereby engage not only to cease all commerce and intercourse with that Power but also to unite in blockading and closing the frontiers of that Power to commerce or intercourse with any part of the world and to use any force that may be necessary to accomplish that object.

ARTICLE VIII.—Any war or threat of war, whether immediately effecting any of the Contracting Powers or not, is hereby declared a matter of concern to the League of Nations and to all the Powers signatory hereto, and those Powers hereby reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

It is hereby also declared and agreed to be the friendly right of each of the nations signatory or adherent to this Covenant to draw the attention of the Body of Delegates or of the Executive Council to any circumstances anywhere which threaten to disturb international peace or the good understanding between nations upon which peace depends.

The Delegates and the Executive Council shall meet in the interest of peace whether war is rumored or threatened,

and also whether the Delegates of any Power shall inform the Delegates that a meeting and conference in the interest of peace is advisable.

The Delegates may also meet at such other times and upon such other occasions as they shall from time to time deem best and determine.

ARTICLE IX.—In the event of a dispute arising between one of the Contracting Powers and a Power not a party to this Covenant, the Contracting Power involved hereby binds itself to endeavor to obtain the submission of the dispute to judicial decision or to arbitration. If the other Power will not agree to submit the dispute to judicial decision or to arbitration, the Contracting Power shall bring the matter to the attention of the Executive Council. The Delegates shall in such a case, in the name of the League of Nations, invite the Power not a party to this Covenant to become *ad hoc* a party and to submit its case to judicial decision or to arbitration, and if that Power consents it is hereby agreed that the provisions hereinbefore contained and applicable to the submission of disputes to arbitration or discussion shall be in all respects applicable to the dispute both in favor of and against such Power as if it were a party to this Covenant.

In case the Power not a party to this Covenant shall not accept the invitation of the Executive Council to become *ad hoc* a party, it shall be the duty of the Executive Council immediately to institute an inquiry into the circumstances and merits of the dispute involved and to recommend such joint action by the Contracting Powers as may seem best and most effectual in the circumstances disclosed.

ARTICLE X.—If hostilities should be begun or any hostile action taken against the Contracting Power by the Power not a party to this Covenant before a decision of the dispute by arbitration or before investigation, report and recommendation by the Executive Council in regard to the dispute, or contrary to such recommendation, the Contracting Powers engage thereupon to cease all commerce and communication with that Power and also to unite in blockading and closing the frontiers of that Power to all

commerce or intercourse with any part of the world, and to employ jointly any force that may be necessary to accomplish that object. The Contracting Powers also undertake to unite in coming to the assistance of the Contracting Power against which hostile action has been taken, and to combine their armed forces in its behalf.

ARTICLE XI.—In case of a dispute between states not parties to this Covenant, any Contracting Power may bring the matter to the attention of the Delegates or the Executive Council, who shall thereupon tender the good offices of the League of Nations with a view to the peaceable settlement of the dispute.

If one of the states, a party to the dispute, shall offer and agree to submit its interests and cause of action wholly to the control and decision of the League of Nations, that State shall *ad hoc* be deemed a Contracting Power. If no one of the states, parties to the dispute, shall so offer and agree, the Delegates shall, through the Executive Council, of their own motion take such action and make such recommendation to their governments as will prevent hostilities and result in the settlement of the dispute.

ARTICLE XII.—Any Power not a party to this Covenant, whose government is based upon the principle of popular self-government, may apply to the Body of Delegates for leave to become a party. If the Delegates shall regard the granting thereof as likely to promote the peace, order, and security of the World, they shall act favorably on the application, and their favorable action shall operate to constitute the Power so applying in all respects a full signatory party to this Covenant. This action shall require the affirmative vote of two-thirds of the Delegates.

ARTICLE XIII.—The Contracting Powers severally agree that the present Covenant and Convention is accepted as abrogating all treaty obligations *inter se* which are inconsistent with the terms hereof, and solemnly engage that they will not enter into any engagements inconsistent with the terms hereof.

In case any of the Powers signatory hereto or subsequently admitted to the League of Nations shall, before

becoming a party to this Covenant, have undertaken any treaty obligations which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

SUPPLEMENTARY AGREEMENTS.

I.—In respect of the peoples and territories which formerly belonged to Austria-Hungary, and to Turkey, and in respect of the colonies formerly under the dominion of the German Empire, the League of Nations shall be regarded as the residuary trustee with the right of oversight or administration in accordance with certain fundamental principles hereinafter set forth; and this reversion and control shall exclude all rights or privileges of annexation on the part of any Power.

These principles are, that there shall in no case be any annexation of any of these territories by any State either within the League or outside of it, and that in the future government of these peoples and territories the rule of self-determination, or the consent of the governed to their form of government, shall be fairly and reasonably applied, and all policies of administration or economic development be based primarily upon the well-considered interests of the people themselves.

II.—Any authority, control, or administration which may be necessary in respect of these peoples or territories other than their own self-determined and self-organized autonomy shall be the exclusive functions of and shall be vested in the League of Nations, and exercised or undertaken by or on behalf of it.

It shall be lawful for the League of Nations to delegate its authority, control, or administration of any such people or territory to some single State or organized agency which it may designate and appoint as its agent or mandatory; but whenever or wherever possible or feasible the agent or mandatory so appointed shall be nominated or approved by the autonomous people or territory.

III.—The degree of authority, control, or administra-

tion to be exercised by the mandatory State or agency shall in each case be explicitly defined by the Executive Council in a special Act or Charter which shall reserve to the League complete power of supervision, and which shall also reserve to the people of any such territory or governmental unit the right to appeal to the League for the redress or correction of any breach of the mandate by the mandatory State or agency or for the substitution of some other State or agency, as mandatory.

The mandatory State or agency shall in all cases be bound and required to maintain the policy of the open door, or equal opportunity for all the signatories to this Covenant, in respect of the use and development of the economic resources of such people or territory.

The mandatory State or agency shall in no case form or maintain any military or naval force, native or other, in excess of definite standards laid down by the League itself for the purposes of internal police.

Any expense the mandatory State or agency may be put to in the exercise of its functions under the mandate, so far as they cannot be borne by the resources of the people or territory under its charge upon a fair basis of assessment and charge, shall be borne by the several signatory Powers, their several contributions being assessed and determined by the Executive Council in proportion to their several national budgets, unless the mandatory State or agency is willing itself to bear the excess costs; and in all cases the expenditures of the mandatory Power or agency in the exercise of the mandate shall be subject to the audit and authorization of the League.

The object of all such tutelary oversight and administration on the part of the League of Nations shall be to build up in as short a time as possible out of the people or territory under its guardianship a political unit which can take charge of its own affairs, determine its own connections, and choose its own policies. The League may at any time release such a people or territory from tutelage and consent to its being set up as an independent unit. It shall also be the right and privilege of any people or territory to petition the League to take such action, and

upon such petition being made it shall be the duty of the League to take the petition under full and friendly consideration with a view to determining the best interests of the people or territory in question in view of all the circumstances of their situation and development.

IV.—No new State shall be recognized by the League or admitted into its membership except on condition that its military and naval forces and armaments shall conform to standards prescribed by the League in respect of it from time to time.

The League of Nations is empowered, directly and without right of delegation, to watch over the relations *inter se* of all new independent States arising or created and shall assume and fulfil the duty of conciliating and composing differences between them with a view to the maintenance of settled order and the general peace.

V.—The Powers signatory or adherent to this Covenant agree that they will themselves seek to establish and maintain fair hours and humane conditions of labor for all those within their several jurisdictions who are engaged in manual labor and that they will exert their influence in favor of the adoption and maintenance of a similar policy and like safeguards wherever their industrial and commercial relations extend.

VI.—The League of Nations shall require all new States to bind themselves as a condition precedent to their recognition as independent or autonomous States and the Executive Council shall exact of all States seeking admission to the League of Nations the promise, to accord to all racial or national minorities within their several jurisdictions exactly the same treatment and security, both in law and in fact, that is accorded the racial or national majority of their people.

VII.—Recognizing religious persecution and intolerance as fertile sources of war, the Powers signatory hereto agree, and the League of Nations shall exact from all new States and all States seeking admission to it the promise that they will make no law prohibiting or interfering with the free exercise of religion, and that they will in no way discriminate, either in law or in fact, against those who practise

any particular creed, religion, or belief whose practices are not inconsistent with public order or public morals.

VIII.—The rights of belligerents on the high seas outside territorial waters having been defined by international convention, it is hereby agreed and declared as a fundamental covenant that no Power or combinations of Powers shall have a right to overstep in any particular the clear meaning of the definitions thus established; but that it shall be the right of the League of Nations from time to time and on special occasion to close the seas in whole or in part against a particular Power or particular Powers for the purpose of enforcing the international covenants here entered into.

IX.—It is hereby covenanted and agreed by the Powers signatory hereto that no treaty entered into by them, either singly or jointly, shall be regarded as valid, binding, or operative until it shall have been published and made known to all the other signatories.

X.—It is further covenanted and agreed by the signatory Powers that in their fiscal and economic regulations and policy no discrimination shall be made between one nation and another among those with which they have commercial and financial dealings.

DOCUMENT 15.

British draft of Covenant for the League of Nations (printed), dated January 20, 1919, with letter of transmittal of the same date from Lord Robert Cecil (autograph) to President Wilson.

Confidential.
(Seal) BRITISH DELEGATION, PARIS.

20 Jan: 1919.

DEAR MR. PRESIDENT

I send you in accordance with my promise a copy of the Draft Convention prepared by the British League of Nations Section. It has not yet been considered by the Cabinet though in its general lines it has been approved by them. It would have reached you some days ago but for difficulties in printing.

Yours very sincerely,
[*Signed*] ROBERT CECIL.

Secret.
January 20, 1919.

LEAGUE OF NATIONS.

DRAFT CONVENTION.

CHAPTER I.

FUNCTIONS AND ORGANISATION OF THE LEAGUE.

1. IMPRESSED by the horrors of the late War, and convinced that another war of the same kind would be productive of still greater disasters to humanity and civilisation, the High Contracting Parties[1] unite in constituting a League of Nations.

[1]Hereinafter referred to as the H.C.P.

The primary object of the League is the promotion of peace among the nations of the world. With this intent the H.C.P. solemnly pledge themselves to co-operate in the League for the prevention of war by eliminating, so far as possible, the causes of international disputes, by providing for the pacific settlement of such disputes should they arise, and by encouraging a general system of international co-operation for promoting the peaceful progress of mankind.

(1) For achieving these ends the H.C.P. adopt the following measures:—

(i) They enter into the obligations intended to secure the avoidance of war which are contained in Chapter II of this Convention.

(ii) They undertake to respect the territorial integrity of all States members of the League, and to protect them from foreign aggression, and they agree to prevent any attempts by other States forcibly to alter the territorial settlement existing at the date of, or established by, the present treaties of peace.

(iii) They recognise the duty incumbent upon the more advanced members of the family of nations to render help and guidance, under the sanction of the League, in the development of the administration of States and territories which have not yet attained to stable government.

(iv) They entrust to the League the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest.

(v) They will endeavor to secure and maintain freedom of transit and just treatment for the commerce of all States members of the League.

(vi) They appoint commissions to study and report to the League on economic, sanitary, and other similar problems of international concern, and they authorize the League to recommend such action as these reports may show to be necessary.

(vii) They appoint a commission to study conditions

of industry and labor in their international aspects, and to make recommendations thereon, including the extension and improvement of existing conventions.

Stipulations for securing the above objects are embodied in separate Conventions annexed hereto or in the general treaties of peace.

(2) The H.C.P. place under the control of the League all international bureaux established by general treaties and now located elsewhere if the parties to such treaties consent. Furthermore, they agree that all such international bureaux to be constituted in future shall be placed under the supervision of the League and shall be located at the capital of the League.

2. If at any time it should appear that the boundaries of any State guaranteed by Article I (i), (ii) do not conform to the requirements of the situation, the League shall take the matter under consideration and may recommend to the parties affected any modification which it may think necessary. If such recommendation is rejected by the parties affected, the States members of the League shall, so far as the territory in question is concerned, cease to be under the obligation to protect the territory in question from forcible aggression by other States, imposed upon them by the above provision.

3. The H.C.P. agree to accept as the basis of the organization of the League the provisions contained in the following articles.

4. A General Conference of the League shall be held within six months of the date when the present Convention comes into force, and similar conferences shall be held from time to time as occasion may require, and in any case at intervals of not more than four years.

A General Conference of the League shall be composed of responsible representatives of the States members of the League.

The meetings of the General Conference of the League are referred to in the present Convention as the Conference of the League.

5. The H.C.P. appoint the following States members

of the League to constitute the Council of the League: France, Great Britain, Italy, Japan, and the United States of America. The Council may at any time co-opt additional members. Except as provided hereafter, no State shall be represented at any meeting of the Council by more than two members.

Meetings of the Council shall be held from time to time as occasion may require, and in any case at intervals of not more than one year.

6. The Council of the League will be responsible for ensuring the successful working of the League of Nations, and for seeing that it secures the harmonious co-operation of all the States members of the League.

In particular, it is charged with the duty of watching over the development of the new States which may be recognized by the general treaties of peace, and of settling all differences which may arise between them connected with the arrangements effected by those treaties.

7. The Council shall invite any State member of the League to send representatives to any meeting of the Council at which matters affecting that State will be under discussion.

No decision on any matter directly affecting the interests of a State member of the League which is not represented on the Council will be binding upon any such State unless its representatives have been invited to the meeting when the decisions in question were taken.

8. The Conference of the League shall regulate its own procedure, and may appoint committees for any purpose it may deem convenient. In all matters covered by this Article the Conference may decide by a majority of the representatives present at any meeting. The provisions of this Article apply also to the Council of the League.

9. There shall be established a permanent international secretariat of the League. The secretariat shall be under the general control and direction of the Chancellor of the League, who shall hold office during the pleasure of the Council. The first Chancellor of the League shall be the person named in the Protocol hereto. Any successor shall be appointed by the Council.

10. The Chancellor of the League shall be assisted by such number of assistant secretaries as he may find it necessary to appoint and such further staff as he may think necessary within the limits of the expenditure which may be authorized.

11. The Chancellor shall act as the Secretary of the Conference of the League and of the Council of the League, and will be responsible to them for such duties as may be entrusted to him.

12. Representatives of the States members of the League attending meetings of the League, the representatives of the H.C.P. at the capital of the League, the Chancellor and the members of the permanent secretariat of the League, and the members of any judicial or administrative organ or of any commission of enquiry working under the sanction of the League, shall enjoy diplomatic privileges and immunities while they are engaged in the business of the League.

All buildings occupied by the League, or by any organization placed under the control of the League, or by any of its officials, or by the representatives of the H.C.P. at the capital of the League shall enjoy the benefits of extra-territoriality.

13. The Secretariat of the League shall be established at . This City shall constitute the capital of the League. The meetings of the Conference of the League and of the Council of the League shall be held at the capital of the League, or in such other place as may be determined.

14. Each of the H.C.P. may maintain a representative at the capital of the League.

15. The expenses of the League, other than those occasioned by meetings of the Council of the League, shall be borne by the States members of the League, in accordance with the distribution among the members of the Postal Union of the expenses of the International Postal Bureau. The expenses occasioned by the meetings of the Council of the League shall be divided equally among the States represented on the Council.

16. The H.C.P. recognize the right of the British

Empire to separate representation in respect of the Dominions of the British Empire, including India, at meetings of the Conference of the League, and also at meetings of the Council, at which matters affecting any particular Dominion are under discussion.

CHAPTER II.

AVOIDANCE OF WAR.

1. Each of the States members of the League agrees that it will not, except in accordance with Article 12, go to war with another State member of the League:—

(a) without submitting the matter in dispute to a Court of International Law or to the Conference or the Council of the League; and

(b) until the Court or the Conference or the Council of the League has had reasonable time to render its decision or report on the matter, provided that in the case of the Conference or of the Council the time shall not exceed months; and

(c) within a period of three months after the rendering of the decision or the report, including for this purpose a majority report, or after the expiration of the reasonable period referred to in (b);

and also that it will not go to war with another State member of the League which complies with the decision of the Court or, subject to Article 9, with the recommendations of the Conference or of the Council.

2. If there should arise between States members of the League any dispute likely to lead to a rupture, which both parties agree to refer to the decision of a court of international law, or which under some convention between them either party is entitled to claim as of right should be referred to the decision of a court of international law, the parties or party as the case may be shall inform the Chancellor of the League, who shall forthwith make all necessary arrangements for bringing the dispute before the Court accordingly. All questions of procedure shall, if not settled by agreement between the parties, be decided by the Court, and, pending the

assembly of the Court, may be decided by the Chancellor.

3. Pending the creation of a permanent court of international justice, the court of international law to which the case is referred under the preceding article shall be the court agreed on by the parties or stipulated in the convention existing between them.

4. If there should arise between two States members of the League any dispute likely to lead to a rupture which is not submitted to a court of international law under Article 2, it shall be open to either of them to demand the reference of the matter to the League. The object of the League in dealing with the matter shall be to effect a just and lasting settlement of the difference. The Chancellor of the League shall in that case convoke a meeting of the Council of the League at such place as may be deemed most convenient under the circumstances, and the Council shall forthwith proceed with the investigation of the dispute.

5. In the event of any State represented on the Council or of any party to the dispute notifying the Chancellor within a period of 14 days after the demand for reference to the League that in its opinion the dispute is one which should be referred to the Conference, the Chancellor shall convoke a meeting of the Conference. Pending the assembly of the Conference, the investigation of the dispute by the Council shall continue.

6. The party upon whose demand the matter has been referred to the League shall file with the Chancellor of the League a statement of its case with all the facts and papers relevant to the dispute. The party against whom the complaint is made shall be invited by the Chancellor to file a statement of its case with all relevant facts and papers.

The Chancellor shall forthwith publish the statements of the parties.

The H.C.P. agree that, in the case of the reference of any dispute to the League under Article 4, they will each, whether parties to the dispute or not, place at the disposal of the Conference or the Council to the fullest possible extent compatible with their interests all the in-

formation in their possession which bears upon the questions under discussion.

7. Where the Conference or the Council finds that the dispute can with advantage be submitted to a court of international law, or that any particular question involved in the dispute can with advantage be referred to a court of international law, it may submit the dispute or the particular question accordingly, and may formulate the questions for decision, and may give such directions as to procedure as it may think desirable. In such case, the decision of the Court shall have no force or effect unless it is confirmed by the Report of the Conference or Council.

Pending the creation of a permanent court of international justice, the court of international law referred to in this article shall be a tribunal of arbitration nominated by the Conference or the Council from among the members of the Permanent Court created by the Convention for the Pacific Settlement of International Disputes.

8. Where the dispute is under investigation by the Council, the Council shall, after considering the merits of the dispute, and the decision of a court under Article 7, make a report to the H.C.P.

9. Where the efforts of the Conference or of the Council have led to the settlement of the dispute, a statement shall be prepared for publication indicating the nature of the dispute and the terms of settlement, together with such explanations as may be appropriate.

If the dispute has not been settled, the report of the Council to the H.C.P., or a similar report by the Conference, shall be published. This report shall set forth, with all necessary facts and explanations, the recommendations which the Council or Conference think just and proper for the settlement of the dispute. If the Report is unanimously agreed to by the members of the Conference or Council, other than the parties to the dispute, the H.C.P. hereby agree that none of them will go to war with any party which complies with its provisions and that they will take all the measures described in Articles 12 and 13 to prevent any other Power going to war with such party.

If no unanimous report can be made it shall be the duty of the majority to issue a report indicating what they believe to be the facts and containing the recommendations which they consider just and proper.

10. The Council may at any time in the course of its investigation of a dispute, or within a period of three months after the making of its report, convoke a meeting of the Conference and transfer to it the consideration of the dispute.

11. Where any dispute arises between any States, whether members of the League or not, which, in the opinion of the Council, may lead to a rupture, the Council may take the dispute into consideration, and may deal with it as though it had been referred to the League under Article 4, or in such other way as will in their opinion best conduce to the peace of the world.

12. The H.C.P. agree that, in the event of any State member of the League committing a breach of Article 1, it will become, *ipso facto*, at war with all the other States members of the League; they will all regard each other as co-belligerents, and will take and support each other in taking all such naval, military or economic measures as will best avail for restraining the breach of covenant.

In particular, they shall each forthwith take all measures necessary to suspend financial, commercial, postal, and telegraphic relations with such state, and, as far as possible, shall prevent that State from having any such relations with any other Power.

13. For the above purposes, each of the H.C.P. agrees that it will detain all ships and goods within its jurisdiction belonging to any person resident in that State; it will prohibit all vessels flying the flag of its mercantile marine from entering the ports of that State; it will prohibit all exports to or imports from, and all financial transactions direct or indirect, with any person in the territory of such State; and it will also take such further economic and commercial measures as the League may deem necessary.

Furthermore, each of the H.C.P. agrees that, if it cannot make an effective contribution of naval, military,

or aerial force, it will co-operate to the utmost of its power in the naval and military measures which may be taken.

The naval, military, and economic operations undertaken in pursuance of this article and of the immediately preceding article shall be carried out without regard to any limitations hitherto imposed on belligerent States by any convention or rule of international law.

14. The H.C.P. agree, further, that they will mutually support one another in the financial and economic measures which they are bound to take under the preceding article in order to minimise the loss and inconvenience resulting therefrom, and that they will mutually support one another in resisting any special measures aimed at one of their number by the State with which relations have been broken off, and that they will afford passage through their territory to the armed forces of any of the H.C.P. who are co-operating to resist the breach of Article 1.

15. The H. C. P. agree that, as part of the terms of peace imposed upon the State which has violated the provisions of Article 1, it shall be called upon to restore all contracts existing at the date of the outbreak of hostilities between their nationals and the nationals of the enemy State which their nationals wish to maintain, and also to provide without reciprocity security for the payment of all debts owing at that date to nationals of the co-operating States members of the League.

16. In the event of disputes between one State member of the League and another State which is not a member of the League or between two States neither of which is a member of the League, the H. C. P. agree that the State or States not members of the League shall be invited to become members of the League *ad hoc*, and the above provisions shall be applied with such modifications as may be necessary.

Chapter III.

GENERAL.

1. The H. C. P. agree that the provisions of this Convention shall override any previously existing treaty

stipulations which may be inconsistent by which they may be bound to any other members of the League. Furthermore, they agree that they will not enter into treaty engagements in future which are inconsistent with it.

2. Powers not represented at the present Conference may be invited to become parties to the present Convention. These invitations will be conveyed by the Chancellor of the League.

3. Powers not invited to become parties to the present Convention may apply for leave to become parties. The League shall in such case decide whether the Power so applying can be relied on to observe the terms of the Conventions, and, if not, the League may refuse the application, or, alternatively, may impose upon such Power such further conditions as it may deem necessary.

4. The provisions of this Convention shall come into effect so soon as it has been ratified by Great Britain, the United States of America, France, Italy, and Japan.

NOTES ON THE LEAGUE OF NATIONS DRAFT CONVENTION.

Note to Chapter I.

The Conventions to be annexed to the Covenant will be, roughly, the following:

(a) Conventions defining territorial settlements;
(b) Conventions defining the responsibilities of mandatory States;
(c) Conventions dealing with arms traffic, liquor traffic, and other tutelage of backward races;
(d) Conventions defining general economic policy (e. g., transit, air, trade conditions);
(e) Conventions dealing with international labor conditions;
(f) Conventions establishing the legal machinery of the League;
(g) Conventions dealing with standard international activities of a more scientific or technical character (e. g., Health);

and establishing in each case the international organs, whether Commissions of Enquiry or Administrative or

semi-Administrative Commissions, required to carry out the terms of each Convention.

These Conventions will probably include not only new Conventions signed at Paris; but a number of existing, agreements which the League will take over (e. g., existing agreements under (g), such as the Postal Union).

Note to Chapter I, Article 10.

The duties of the Chancellor should be somewhat as follows, and directions to that effect might be given to him by the States composing the Council in the protocol.

(a) He should convene the meetings of the Conference and the Council, prepare the work of these meetings, and record the business transacted at them.

(b) He should facilitate and register the results of the work of the various international organs indicated in the Note to Chapter I, and, in this connection, he should carry out the provisions of Chapter I, article 1 (2) of the Convention.

(c) He should take the action required of him in connection with international disputes, as provided in Chapter II.

(d) He should register all international treaties brought to the cognisance of the League.

(e) In general, he should collect, for the information of the Council and the Conference, all facts affecting the purposes and obligations of the League.

(f) The Conference and Council of the League should correspond through him, as the sole responsible channel, with the member States, with the international bodies indicated under (b) and with any court of international law or conciliation operating in pursuance of this Convention.

(g) He should maintain current relations at the capital of the League with any official representatives whom the member States may accredit to the League.

(h) He should, at the request of two or more member States, make arrangements for any official inter-State meetings which it may be desired to hold.

(i) He should make similar arrangements for any unofficial meetings of an international character which he, as the representative of the Council, may consider it advisable to invite to the capital of the League.

Note to Chapter I, Article 11.

It might be well to agree in a protocol that the Council shall, in the first instance, direct the Chancellor to select the secretariat in a particular way. Such a protocol, signed by the States composing the Council, might stipulate that the Chancellor shall appoint ten permanent secretaries at his discretion, subject to the following provisions:—

He shall choose one national of each of the States members of the Council, two nationals of two European States not members of the Council, one national of one of the States of America other than the United States, and two nationals of any States members of the League at his discretion. Before appointing a national of any State, the Chancellor ought, however, to secure the approval of the Government of such State, and the Council should have the right to veto any given appointment by unanimous vote.

Note to Chapter III, Articles 1 and 2.

1. On the assumption, as a matter of procedure, that the Convention will in the first instance be negotiated and initialled by the States forming the Council of the League, and that it will then be offered for signature, during the Conference of Peace, to all the other States represented at that Conference (except the enemy Powers), it is suggested that a protocol should be annexed to the Convention, as originally initialled, naming the States to whom invitations should be issued as soon as the Convention is finally signed by the States represented at the Conference. It is suggested that invitations should be issued as follows:

(a) to any States at war with Germany, or having

broken off diplomatic relations with her, which may not be represented at the Conference.
(N. B.—It is possible that the United States may advise against the inclusion of some Latin-American State coming within this category, e. g., Costa Rica.)

(b) To European neutrals, i. e., Sweden, Norway, Denmark, Holland, Switzerland, and Spain;

(c) to Latin-American States not represented at the present Peace Conference, except Mexico, Hayti, San Domingo, and any other State which, in the opinion of the United States, may be considered unready for membership (without prejudice to the right of such State to apply for membership under Article 17).

(d) to Persia.

2. The protocol should further set out that invitations should be issued to new States recognized as sovereign and independent by the Peace Conference. Jugo-Slavia would be included in this class of States, unless it were organically united to Serbia.

3. The policy with regard to the admission to the League of enemy Powers, i. e., Germany, Austria, Hungary, Bulgaria, and Turkey, remains to be decided. On the whole, it might be well to state in a protocol that they will be invited to apply, under Article 17, "when they have given proof of their genuine acceptance of the present Convention, of the treaties and agreements annexed thereto, and of the present general treaties of peace, and of their determination to abide by these obligations."

Russia cannot probably be invited to adhere, but it may be advisable to state in a protocol the reasons for this omission.

DOCUMENT 16.

Hurst-Miller compromise draft of the League of Nations Covenant used as the basis of discussion in the League of Nations Commission. Introduced at first meeting, February 3, 1919 (printed as annex to minutes of the Commission).

DRAFT COVENANT.

PREAMBLE.

In order to secure international peace and security by the acceptance of obligations not to resort to the use of armed force, by the prescription of open, just and honorable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organised peoples with one another, and in order to promote international co-operation, the Powers signatory to this Covenant adopt this constitution of the League of Nations.

ARTICLE 1.—The action of the High Contracting Parties under the terms of this Covenant shall be effected through the instrumentality of meetings of Delegates representing the High Contracting Parties, of meetings at more frequent intervals of an Executive Council representing the States more immediately concerned in the matters under discussion, and of a permanent International Secretariat to be established at the capital of the League.

ARTICLE 2.—Meetings of the Body of Delegates shall be held from time to time as occasion may require for the purpose of dealing with matters within the sphere of action of the League.

Meetings of the Body of Delegates shall be held at the capital of the League, or at such other place as may be found convenient, and shall consist of not more than two representatives of each of the High Contracting Parties.

An Ambassador or Minister of one of the High Contracting Parties shall be competent to act as its representative.

All matters of procedure at meetings of the Body of Delegates, including the appointment of committees to investigate particular matters, shall be regulated by the Body of Delegates, and may be decided by a majority of those present at the meeting.

ARTICLE 3.—The representatives of the States, members of the League directly affected by matters within the sphere of action of the League, will meet as an Executive Council from time to time as occasion may require.

The United States of America, Great Britain, France, Italy, and Japan shall be deemed to be directly affected by all matters within the sphere of action of the League. Invitations will be sent to any Power whose interests are directly affected, and no decision taken at any meeting will be binding on a State which was not invited to be represented at the meeting.

Such meetings will be held at whatever place may be decided on, or, failing any such decision, at the capital of the League, and any matter affecting the interests of the League, or relating to matters within its sphere of action or likely to affect the peace of the world, may be dealt with.

ARTICLE 4.—The permanent Secretariat of the League shall be established at which shall constitute the capital of the League. The Secretariat shall comprise such secretaries and staff as may be required, under the general direction and control of a Chancellor of the League, by whom they shall be appointed.

The Chancellor shall act as Secretary at all meetings of the Body of Delegates or of the Executive Council.

The expenses of the Secretariat shall be borne by the States members of the League in accordance with the distribution among members of the Postal Union of the expenses of the International Postal Union.

ARTICLE 5.—Representatives of the High Contracting Parties and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities, and the buildings occupied by the League or its officials or by representatives attending its meetings shall enjoy the benefits of extra-territoriality.

ARTICLE 6.—Admission to the League of States who are not signatories of this Covenant requires the assent of not less than two-thirds of the Body of Delegates.

No State shall be admitted to the League except on condition that its military and naval forces and armaments shall conform to standards prescribed by the League in respect of it from time to time.

ARTICLE 7.—The High Contracting Parties undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all States members of the League.

ARTICLE 8.—The High Contracting Parties recognize the principle that the maintenance of peace will require the reduction of national armaments to the lowest point consistent with domestic safety and the enforcement by common action of international obligations; and the Executive Council shall formulate plans for effecting such reduction. It shall also enquire into the feasibility of abolishing compulsory military service, and the substitution therefor of forces enrolled upon a voluntary basis, and into the military and naval equipment which it is reasonable to maintain.

The High Contracting Parties further agree that there shall be full and frank publicity as to all national armaments and military or naval programmes.

ARTICLE 9.—Any war or threat of war, whether immediately affecting any of the High Contracting Parties or not, is hereby declared a matter of concern to the League, and the High Contracting Parties reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

It is hereby also declared and agreed to be the friendly right of each of the High Contracting Parties to draw the attention of the Body of Delegates, or of the Executive

Council, to any circumstances anywhere which threaten to disturb international peace, or the good understanding between nations upon which peace depends.

ARTICLE 10.—The High Contracting Parties agree that should disputes arise between them which cannot be adjusted by the ordinary processes of diplomacy, they will in no case resort to armed force without previously submitting the questions and matters involved either to arbitration or to enquiry by the Executive Council, and until three months after the award by the arbitrators, or a recommendation by the Executive Council; and that they will not even then resort to armed force as against a member of the League which complies with the award of the arbitrators, or the recommendation of the Executive Council.

ARTICLE 11.—The High Contracting Parties agree that whenever any dispute or difficulty shall arise between them which they recognise to be suitable for submission to arbitration, and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration, and will carry out in full good faith any award or decision that may be rendered.

ARTICLE 12.—The Executive Council will formulate plans for the establishment of a Permanent Court of International Justice, and this Court will be competent to hear and determine any matter which the parties recognise as suitable for submission to it for arbitration under the foregoing Article.

ARTICLE 13.—If there should arise between States members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration as above, the High Contracting Parties agree that they will refer the matter to the Executive Council; either party to the dispute may give notice to the Chancellor of the existence of the dispute, and the Chancellor will make all necessary arrangements for a full investigation and consideration thereof. For the purpose the parties agree to communicate to the Chancellor statements of their case with all the relevant facts and papers.

Where the efforts of the Council lead to the settlement

of the dispute, a statement shall be prepared for publication indicating the nature of the dispute and the terms of settlement, together with such explanations as may be appropriate. If the dispute has not been settled, a report by the Council shall be published, setting forth with all necessary facts and explanations the recommendations which the Council think just and proper for the settlement of the dispute. If the report is unanimously agreed to by the members of the Council, other than the parties to the dispute, the High Contracting Parties agree that none of them will go to war with any party which complies with its recommendations. If no such unanimous report can be made, it shall be the duty of the majority to issue a statement indicating what they believe to be the facts and containing the recommendations which they consider to be just and proper.

The Executive Council may in any case under this article refer the dispute to the Body of Delegates. The dispute shall be so referred at the request of either party to the dispute. In any case referred to the Body of Delegates all the provisions of this Article relating to the action and powers of the Executive Council shall apply to the action and powers of the Body of Delegates.

ARTICLE 14.—Should any of the High Contracting Parties be found by the League to have broken or disregarded its covenants under Article 10, it shall thereby *ipso facto* be deemed to have committed an act of war against all the other members of the League, which shall immediately subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention, so far as possible, of all financial, commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the League or not.

It shall be the duty of the Executive Council in such a case to recommend what effective military or naval force the members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The High Contracting Parties agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will afford passage through their territory to the forces of any of the High Contracting Parties who are co-operating to protect the covenants of the League.

ARTICLE 15.—In the event of disputes between one State member of the League and another State which is not a member of the League, or between States not members of the League, the High Contracting Parties agree that the State or States not members of the League shall be invited to become *ad hoc* members of the League, and upon acceptance of any such invitation, the above provisions shall be applied with such modifications as may be deemed necessary by the League.

Upon such invitation being given the Executive Council shall immediately institute an enquiry into the circumstances and merits of the dispute and recommend such action as may seem best and most effectual in the circumstances.

In the event of a Power so invited refusing to become *ad hoc* a member of the League, and taking any action against a State member of the League, which in the case of a State member of the League would constitute a breach of Article 10, the provisions of Article 14 shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to become *ad hoc* members of the League, the Executive Council may take such action and make such recommendations as will prevent hostilities, and will result in the settlement of the dispute.

ARTICLE 16.—The High Contracting Parties entrust to the League the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest.

ARTICLE 17.—The High Contracting Parties agree that in respect of territories which formerly belonged to the German Empire or to Turkey, and which are inhabited by peoples unable at present to secure for themselves the benefits of a stable administration, the well-being of these peoples constitutes a sacred trust for civilisation, and imposes upon the States members of the League the obligation to render help and guidance in the development of the administration. They recognise that all policies of administration or economic development should be based primarily upon the well-considered interests of the peoples themselves, upon the maintenance of the policy of the open door, and of equal opportunity for all the High Contracting Parties in respect of the use and development of the economic resources of the territory. No military or naval forces shall be formed among the inhabitants of territories in excess of those required for purposes of defence and of internal police.

ARTICLE 18.—The High Contracting Parties will work to establish and maintain fair hours and humane conditions of labour for all those within their several jurisdictions, and they will exert their influence in favour of the adoption and maintenance of a similar policy and like safeguards wherever their industrial and commercial relations extend. Also they will appoint commissions to study conditions of industry and labour in their international aspects, and to make recommendations thereon, including the extension and improvement of existing conventions.

ARTICLE 19.—The High Contracting Parties agree that they will make no law prohibiting or interfering with the free exercise of religion, and that they will in no way discriminate, either in law or in fact, against those who practice any particular creed, religion, or belief whose practices are not inconsistent with public order or public morals.

ARTICLE 20.—The High Contracting Parties will agree upon provisions intended to secure and maintain freedom of transit and just treatment for the commerce of all States members of the League.

ARTICLE 21.—The High Contracting Parties agree

that any treaty or international engagement entered into between States members of the League shall be forthwith registered with the Chancellor, and as soon as possible published by him.

ARTICLE 22.—The High Contracting Parties severally agree that the present Covenant is accepted as abrogating all obligations *inter se* which are inconsistent with the terms hereof, and solemnly engage that they will not hereafter enter into any engagements inconsistent with the terms hereof.

In case any of the Powers signatory hereto, or subsequently admitted to the League shall, before becoming a party to this Covenant, have undertaken any obligations which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

DOCUMENT 17.

Official French plan for a League of Nations (printed as annex to minutes of the Commission).

Annex 2 to Minutes of First Meeting, League of Nations Commission.

DRAFT ADOPTED BY THE FRENCH MINISTERIAL COMMISSION FOR THE LEAGUE OF NATIONS.

(*Translation.*)

I.

STATEMENT OF THE PRINCIPLES TO BE TAKEN AS BASIS OF THE LEAGUE OF NATIONS.

The problem of the League of Nations is one which forces itself upon the consideration of every Government. Historically, the idea is a very old one, which took shape when the civilized States assembled at the two Hague Conferences in 1899 and 1907. Practically, during the present war, it has been taken up afresh under various forms by the Allied Governments in their official declarations, by President Wilson in his note of December, 1916, and even by our enemies in their replies to the Papal Note of the 16th August, 1917. It is, therefore, impossible to avoid the study of the question; it can and must be considered quite apart from the questions which form the subject proper of the Treaty of Peace.

1. In declaring that a sense of justice and honor compelled them to carry on the war thrust upon them by the aggressive action of the Central Powers until a joint and decisive victory had been gained, the Allies intend to convey that one of the results of that victory should be (a) to protect the world in future against any recur-

rence of the employment of brute force and attempts on the part of any nation to obtain universal supremacy, and (b) to establish the reign of justice on sure foundations throughout the world.

They declare that, in order to secure conditions which will exclude the existence of a mere dangerous truce and guarantee real peace, it is necessary to provide for the contractual and permanent organization of international relations, by the constitution between States of the association to which universal public opinion has given the name of "the League of Nations."

2. The object of the League of Nations shall not be to establish an international political State. It shall merely aim at the maintenance of peace by substituting Right for Might as the arbiter of disputes. It will thus guarantee to all States alike, whether small or great, the exercise of their sovereignty.

3. The scope of the League of Nations is universal, but, by its very nature, it can only extend to those nations which will give each other all necessary guarantees of a practical and legal nature, and which, in loyal fulfillment of their given word, solemnly undertake to be bound by certain rules in order to maintain peace by respecting Right, and to guarantee the free development of their national life.

Consequently, no nations can be admitted to the League other than those which are constituted as States and provided with representative institutions such as will permit their being themselves considered responsible for the acts of their own Governments.

4. The League of Nations shall be represented by an international body, composed of the responsible heads of Governments or of their delegates.

This international body shall have the following powers:

(1) It shall organize an international tribunal.

(2) It shall effect the amicable settlement of disputes between the States members of the League by means of mediation, preceded, if necessary, by an enquiry in the terms of The Hague Convention of 1907.

(3) In the event of an amicable settlement proving impossible, it will refer the matter to the International Tribunal, if the question at issue is open to a legal decision; otherwise it shall itself decide the matter.

(4) It shall enforce the execution of its decisions and those of the International Tribunal; at its demand every nation shall be bound, in agreement with the other nations, to exert its economic, naval, and military power against any recalcitrant nation.

(5) Every nation shall likewise be bound, at the demand of the International Body, to exert, in common accord with the other nations, its economic, naval, and military power against any nation which, not having become a member of the League of Nations, shall attempt, by any means whatsoever, to impose its will on another nation.

5. The International Tribunal shall pronounce on all questions submitted to it, either by the International Body or by a State having any dispute with another.

It shall decide and pronounce upon questions of law at issue between States, on the basis of custom or of international conventions, as well as of theory and jurisprudence.

In cases of violation of such law, it shall order the necessary reparation and sanctions.

II.

Diplomatic, Legal, and Economic Sanctions.

(1) diplomatic sanctions.

These sanctions, the result of which will be to place the delinquent State for a shorter or longer period under the ban of the member nations, fall under three headings:

(a) The suspension or breaking off of the diplomatic relations existing up to that period between such State and other member States of the League of Nations;

(b) The withdrawal of the *exequatur* granted to the consuls of such State;

(c) The exclusion of the State in question from the benefit of any international conventions to which it may be a party.

(2) LEGAL SANCTIONS.

On the other hand, certain sanctions of a legal nature will enable the League of Nations, according to circumstances, to enforce respect of the principles which it is called upon to protect.

(a) Thus offences committed, encouraged, or tolerated by one of the member States may render it liable to pecuniary sanctions which will be applied to it by the International Court of Justice, in accordance with the general principle laid down by Article 3 of The Hague Convention of the 18th October, 1907, as to the laws and customs of war.

(b) There are, moreover, other sanctions of a legal nature which, without entailing the direct pecuniary responsibility of the State concerned, will exert a very marked and immediate influence on the attitude and decisions of its representatives, by reason of the sacrifices it will impose on the private interests of the citizens themselves. There will be no question of depriving the latter of the advantages of common law, or of punishing them for acts for which they are not directly answerable; but that national unity which confers responsibilities as well as benefits, will doubtless permit of the temporary withdrawal from them of the exercise of a faculty which, although not indispensable to existence, nevertheless tends to facilitate it.

The following may be instanced as particularly efficacious measures from this point of view: the suspension, as regards subjects of the recalcitrant State, of all Articles of Association, conventions relating to the protection of author's copyright and of industrial property, and conventions under private international law concluded between that State and the other States, members of the

League of Nations; the exclusion of nationals of the recalcitrant State from recourse to the Courts of Law in the countries members of the League; the refusal to grant the *exequatur* in the said countries as to the execution of judgments pronounced by its Courts in favour of the nationals; the seizure and sequestration of real estate or movable property belonging to its nationals in the said countries; the prohibition of commercial relations, and even, if necessary, of any agreement of a private nature with subjects of the States belonging to the League of Nations.

The foregoing to be without prejudice to any legal sanctions applicable under the ordinary rules of criminal jurisdiction to the individual whose outrages upon law or whose actions may have endangered the maintenance of peace, or to the subsidiary measures which the League of Nations may think well to take in order to secure conviction, in case it is not ensured by the Government to the jurisdiction of which the criminal is subject.

(3) ECONOMIC SANCTIONS.

Other sanctions of an economic nature can be employed by the League of Nations, by which it will be enabled to exercise an efficient control over the recalcitrant State, by various measures which may extend to placing it under an absolute commercial, industrial, or financial ban.

The principal measures in question are:

(a) *Blockade*, consisting in the prevention by force of any commercial intercourse with the territory of the State in question.

(b) *Embargo*, *i. e.*, the seizure and temporary sequestration, in the ports and territorial waters of the member States, of ships and cargoes belonging to the delinquent State and its nationals, as also the seizure of all goods destined for such State.

(c) Prohibition of the supply of raw materials and foodstuffs indispensable to its economic existence.

(d) Prohibition of the issue by such State of public loans in the territories of the member States; refusal to allow stock issued elsewhere to be quoted

on the official Exchange, and even withdrawal of any previous permission for the quotation of the stock of such State.

The sanctions thus provided will be all the more efficacious and their application will be all the more prompt, in that the member States will have previously arranged to protect themselves against any reprisals to their prejudice, by means of an economic organization adapted to facilitate their coöperation and mutual assistance.

This rough outline will show that the League of Nations will not be without weapons with which to enforce its decisions, and to impose on any disturbing elements that "Peace by Justice," the maintenance of which will be its *raison d'être.*

III.

Military Sanctions.

(i) international forces.

The execution of the military sanctions on land or at sea shall be entrusted either to an international force, or to one or more Powers members of the League of Nations, to whom a mandate in that behalf shall have been given.

The International Body shall have at its disposal a military force supplied by the various member States of sufficient strength:

(1) to secure the execution of its decision and those of the International Tribunal;

(2) to overcome, in case of need, any forces which may be opposed to the League of Nations in the event of armed conflict.

(ii) strength of international contingents.

The International Body shall determine the strength of the international force and fix the contingents which must be held at its disposal.

Each of the member States shall be free to settle as it deems best the conditions under which its contingent shall be recruited.

The question of the limitation of armaments in each of the member States will be dealt with elsewhere.

(iii) PERMANENT STAFF.

A permanent international Staff shall investigate all military questions affecting the League of Nations. Each State shall appoint the officer or officers who shall represent it, in a proportion to be determined later.

The Chief and Deputy Chiefs of Staff shall be appointed for a period of three years by the International Body, from a list submitted by the member States.

(iv) FUNCTIONS OF THE PERMANENT STAFF.

It shall be the duty of the permanent International Staff to deal, under the supervision of the International Body, with everything relating to the organization of the joint forces and the eventual conduct of military operations. It will in particular be charged with the task of inspecting international forces and armaments in agreement with the military authorities of each State, and of proposing any improvements it may deem necessary, either in the international military organization or in the constitution, composition, and methods of recruiting of the forces of each State.

The Staff shall report the result of its inspections, either as a matter of routine or at the request of the International Body. Military instructions shall be given in each member State in accordance with rules designed to procure, as far as possible, uniformity in the armaments and training of the troops destined to act in concert.

The International Body shall be entitled, at any time, to require that the member States introduce any alteration into their national system of recruiting which the Staff may report to be necessary.

(v) COMMANDER-IN-CHIEF AND CHIEF OF GENERAL STAFF.

When circumstances shall so require, the International Body shall appoint, for the duration of the operations to

be undertaken, a Commander-in-chief of the international forces.

Upon his appointment, the Commander-in-chief shall nominate his Chief of General Staff and the officers who are to assist him.

The powers of the Commander-in-chief and his Chief of General Staff shall cease when circumstances become such that an armed conflict is no longer to be feared, or when the object of the military operations has been attained.

In either case, the date at which the powers of the Commander-in-chief and the General Staff shall cease shall be fixed by a decision of the International Body.

IV.

Scope and Functions of the International Body.

Public opinion among civilized nations, which regards The Hague Conferences as a step towards the recognition and application of the principles of justice and equity as guarantees of the security of States and the well-being of their peoples, is unanimously demanding a fresh effort in the same direction. Although it has seen arbitration applied in cases of ever-increasing importance, and likewise the creation of an international judicial organization and the institution of a system of enquiry and mediation, it still considers as indispensable the establishment of more concrete guarantees, in order that peace may be secured by the reign of organized justice.

The question thus arises of the institution of a permanent International Body to carry into effect the real aims of the League of Nations.

There is no question of making the League of Nations a super-State, or even a Confederation. Any such idea is rendered impossible by respect for the sovereignty of States, by the diversity of national traditions and of political and judicial standards, by the differences in systems of administration and opposition of economic interests; but public opinion among the free nations would be disappointed if the result of the present crisis were not to be the institution of an International Body capable of

contributing, by constant vigilance and the exercise of sufficient authority, to the maintenance of peace.

In conformity with the statement of principles adopted by the Commission on the 18th January, this body, constituted in the form of an International Council, will derive its authority from the reciprocal undertaking given by each of the member nations to use its economic, naval, and military power in conjunction with the other members of the League against any nation contravening the Covenant of the League.

(i) MAINTENANCE OF PEACE BETWEEN THE MEMBER NATIONS.

The Council shall devise and apply all means for the prevention of international disputes.

To this intent—

1. The International Council shall maintain and develop the international legal institutions created at The Hague and call for international decisions to supplement them as may be required.

2. The International Council shall, either at the demand of the parties or at the instance of a third State, effect an amicable settlement of differences menacing peace between the member States; in default of any such demand, it shall be bound to take the initiative as regards such settlement.

3. It shall, in the first place, proceed either by means of good offices and of mediation (preceded, if necessary, by an enquiry in the terms of the First Hague Convention of 1907), or by reminding the disputant States that the permanent Court is open to them.

4. Should no amicable settlement be thus obtained, the International Council shall consider whether the question is of a legal nature, in which case it shall order the disputant States to submit their difference to the Court of International Jurisdiction, which is competent to deal with the matter in the terms of Section IV of the First Hague Convention; in default of a compromise being effected by agreement between the parties, the Court of The Hague shall be competent to draw up such com-

promise by extension of Article 53 of the said Convention;

5. The International Council shall ensure the execution of the decisions of the International Court, if necessary, by resorting to the application of diplomatic, legal, economic, and military sanctions.

6. Should the International Council consider that the matter is not of a nature to be finally settled by a legal decision, it shall deal with the question direct.

It shall in the first instance attempt to promote an amicable settlement, and, should it not itself be successful in so doing, it shall define the terms according to which the dispute shall be settled in a manner which shall respect the rights of each State and the maintenance of peace.

This decision shall be notified to the States concerned, it being intimated to them that as from such date no dispute exists between the contestant States, but between the entirety of the member States and the State which, by refusing to accept such decision, violates the very principles of the League. Should the State concerned refuse to accept the decision after having been summoned to do so, the International Council shall notify to it the coercive measures of a diplomatic, legal, economic, or military nature to be taken against it within a specified time.

(ii) DEFENCE AGAINST NON-MEMBER STATES.

Should a non-member State attempt to impose its will on any member State upon any pretext whatsoever, the International Council shall, after having employed all possible means of conciliation, decide upon the steps to be taken and shall cause all legal, diplomatic and military action at the disposal of member States to be employed against such State.

(iii) PRECAUTIONARY MEASURES AGAINST THE SPREAD OF ANY CONFLICT BETWEEN NON-MEMBER STATES.

Should conflict threaten to break out between two nations who are not members of the League of Nations, the International Council shall be bound to prevent any risk of its extension in such a manner as to concern member

States, and to use all means in its power to arrive at a peaceful settlement.

V.

Composition of the International Council and of the Permanent Delegation.

The International Council representing all the nations subscribing to the Covenant for securing peace by organized legislation shall be constituted as follows:

1. Each member State shall be represented by the head of its Government, or by a representative of such Government having sufficient power to bind the liability of his State.

2. A plenary meeting of the International Council alone shall be empowered to decide questions coming within its jurisdiction. It shall make known the rulings given in the case of disputes between States, and, should any such State refuse to accept the ruling, it shall cause the (corresponding) sanctions to be carried into effect by the governments of the member States.

3. The International Council shall hold its ordinary meeting once a year. The date and place of the following meeting shall be settled at each such meeting.

4. The members of the International Council shall agree *inter se* concerning the appointment of members of the Permanent Delegation which shall, between the meetings, receive all communications destined for the said Council, prepare its reports, etc., keep its archives in safe custody, and, in cases of emergency, send out notices to members of the Council and propose the calling of a special meeting.

5. The Permanent Delegation shall consist of 15 members. Their term of office shall be years, and they shall be eligible for reëlection.

6. The International Council shall define the powers of its Permanent Delegation.

7. The International Council shall call an extraordinary meeting at the suggestion of the Permanent Delegation (see paragraph 4 hereof), or at the request of one or more of the member states.

June 8, 1918.

DOCUMENT 18.

Text of the Covenant as adopted at the Plenary Session of February 14 and taken by President Wilson to America (printed).

COVENANT.

PREAMBLE.

In order to promote international coöperation and to secure international peace and security by the acceptance of obligations not to resort to war, by the prescription of open, just and honourable relations between nations, by the firm establishment of the understandings of international law as the actual rule of conduct among governments, and by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organized peoples with one another, the Powers signatory to this Covenant adopt this constitution of the League of Nations.

ARTICLE I.—The action of the High Contracting Parties under the terms of this Covenant shall be effected through the instrumentality of meetings of a Body of Delegates representing the High Contracting Parties, of meetings at more frequent intervals of an Executive Council, and of a permanent international Secretariat to be established at the Seat of the League.

ARTICLE II.—Meetings of the Body of Delegates shall be held at stated intervals and from time to time as occasion may require for the purpose of dealing with matters within the sphere of action of the League. Meetings of the Body of Delegates shall be held at the Seat of the League or at such other place as may be found convenient and shall consist of representatives of the High Contracting Parties. Each of the High Contracting Parties shall

have one vote but may have not more than three representatives.

ARTICLE III.—The Executive Council shall consist of representatives of the United States of America, the British Empire, France, Italy, and Japan, together with representatives of four other States, members of the League. The selection of these four States shall be made by the Body of Delegates on such principles and in such manner as they think fit. Pending the appointment of these representatives of the other States, representatives of shall be members of the Executive Council.

Meetings of the Council shall be held from time to time as occasion may require and at least once a year at whatever place may be decided on, or failing any such decision at the Seat of the League, and any matter within the sphere of action of the League or affecting the peace of the world may be dealt with at such meetings.

Invitations shall be sent to any Power to attend a meeting of the Council at which matters directly affecting its interests are to be discussed and no decision taken at any meeting will be binding on such Power unless so invited.

ARTICLE IV.—All matters of procedure at meetings of the Body of Delegates or the Executive Council including the appointment of Committees to investigate particular matters shall be regulated by the Body of Delegates or the Executive Council and may be decided by a majority of the States represented at the meeting.

The first meeting of the Body of Delegates and of the Executive Council shall be summoned by the President of the United States of America.

ARTICLE V.—The permanent Secretariat of the League shall be established at which shall constitute the Seat of the League. The Secretariat shall comprise such secretaries and staff as may be required, under the general direction and control of a Secretary-General of the League, who shall be chosen by the Executive Council; the Secretariat shall be appointed by the Secretary-General subject to confirmation by the Executive Council.

The Secretary-General shall act in that capacity at all

meetings of the Body of Delegates or of the Executive Council.

The expenses of the Secretariat shall be borne by the States members of the League in accordance with the apportionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE VI.—Representatives of the High Contracting Parties and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities, and the buildings occupied by the League or its officials or by representatives attending its meetings shall enjoy the benefits of extraterritoriality.

ARTICLE VII.—Admission to the League of States not signatories to the Covenant and not named in the Protocol hereto as States to be invited to adhere to the Covenant requires the assent of not less than two-thirds of the States represented in the Body of Delegates, and shall be limited to fully self-governing countries including Dominions and Colonies.

No State shall be admitted to the League unless it is able to give effective guarantees of its sincere intention to observe its international obligations, and unless it shall conform to such principles as may be prescribed by the League in regard to its naval and military forces and armaments.

ARTICLE VIII.—The High Contracting Parties recognize the principle that the maintenance of peace will require the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations, having special regard to the geographical situation and circumstances of each State; and the Executive Council shall formulate plans for effecting such reduction. The Executive Council shall also determine for the consideration and action of the several governments what military equipment and armament is fair and reasonable in proportion to the scale of forces laid down in the programme of disarmament; and these limits, when adopted, shall not be exceeded without the permission of the Executive Council.

The High Contracting Parties agree that the manufac-

ture by private enterprise of munitions and implements of war lends itself to grave objections, and direct the Executive Council to advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those countries which are not able to manufacture for themselves the munitions and implements of war necessary for their safety.

The High Contracting Parties undertake in no way to conceal from each other the condition of such of their industries as are capable of being adapted to war-like purposes or the scale of their armaments and agree that there shall be full and frank interchange of information as to their military and naval programmes.

ARTICLE IX.—A permanent Commission shall be constituted to advise the League on the execution of the provisions of Article VIII and on military and naval questions generally.

ARTICLE X.—The High Contracting Parties undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all States members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Executive Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE XI.—Any war or threat of war, whether immediately affecting any of the High Contracting Parties or not, is hereby declared a matter of concern to the League, and the High Contracting Parties reserve the right to take any action that may be deemed wise and effectual to safeguard the peace of nations.

It is hereby also declared and agreed to be the friendly right of each of the High Contracting Parties to draw the attention of the Body of Delegates or of the Executive Council to any circumstances affecting international intercourse which threaten to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE XII.—The High Contracting Parties agree that should disputes arise between them which cannot be adjusted by the ordinary processes of diplomacy, they will

in no case resort to war without previously submitting the questions and matters involved either to arbitration or to inquiry by the Executive Council and until three months after the award by the arbitrators or a recommendation by the Executive Council; and that they will not even then resort to war as against a member of the League which complies with the award of the arbitrators or the recommendation of the Executive Council.

In any case under this Article, the award of the arbitrators shall be made within a reasonable time, and the recommendation of the Executive Council shall be made within six months after the submission of the dispute.

ARTICLE XIII.—The High Contracting Parties agree that whenever any dispute or difficulty shall arise between them which they recognize to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject matter to arbitration. For this purpose the Court of arbitration to which the case is referred shall be the court agreed on by the parties or stipulated in any Convention existing between them. The High Contracting Parties agree that they will carry out in full good faith any award that may be rendered. In the event of any failure to carry out the award, the Executive Council shall propose what steps can best be taken to give effect thereto.

ARTICLE XIV.—The Executive Council shall formulate plans for the establishment of a Permanent Court of International Justice and this Court shall, when established, be competent to hear and determine any matter which the parties recognize as suitable for submission to it for arbitration under the foregoing Article.

ARTICLE XV.—If there should arise between States members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration as above, the High Contracting Parties agree that they will refer the matter to the Executive Council; either party to the dispute may give notice of the existence of the dispute to the Secretary-General, who will make all necessary arrangements for a full investigation and consideration thereof. For this purpose the parties agree to communi-

cate to the Secretary-General, as promptly as possible, statements of their case with all the relevant facts and papers, and the Executive Council may forthwith direct the publication thereof.

Where the efforts of the Council lead to the settlement of the dispute, a statement shall be published indicating the nature of the dispute and the terms of settlement, together with such explanations as may be appropriate. If the dispute has not been settled, a report by the Council shall be published, setting forth with all necessary facts and explanations the recommendation which the Council think just and proper for the settlement of the dispute. If the report is unanimously agreed to by the members of the Council other than the parties to the dispute, the High Contracting Parties agree that they will not go to war with any party which complies with the recommendation and that, if any party shall refuse so to comply, the Council shall propose the measures necessary to give effect to the recommendation. If no such unanimous report can be made, it shall be the duty of the majority and the privilege of the minority to issue statements indicating what they believe to be the facts and containing the recommendations which they consider to be just and proper.

The Executive Council may in any case under this Article refer the dispute to the Body of Delegates. The dispute shall be so referred at the request of either party to the dispute, provided that such request must be made within fourteen days after the submission of the dispute. In any case referred to the Body of Delegates all the provisions of this Article and of Article XII relating to the action and powers of the Executive Council shall apply to the action and powers of the Body of Delegates.

ARTICLE XVI.—Should any of the High Contracting Parties break or disregard its covenants under Article XII, it shall thereby *ipso facto* be deemed to have committed an act of war against all the other members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and

the nationals of the covenant-breaking State, and the prevention of all financial, commercial, or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a member of the League or not.

It shall be the duty of the Executive Council in such case to recommend what effective military or naval force the members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The High Contracting Parties agree, further, that they will mutually support one another in the financial and economic measures which are taken under this Article, in order to minimize the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will afford passage through their territory to the forces of any of the High Contracting Parties who are coöperating to protect the covenants of the League.

ARTICLE XVII.—In the event of disputes between one State member of the League and another State which is not a member of the League, or between States not members of the League, the High Contracting Parties agree that the State or States not members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon such conditions as the Executive Council may deem just, and upon acceptance of any such invitation, the above provisions shall be applied with such modifications as may be deemed necessary by the League.

Upon such invitation being given the Executive Council shall immediately institute an inquiry into the circumstances and merits of the dispute and recommend such action as may seem best and most effectual in the circumstances.

In the event of a Power so invited refusing to accept the obligations of membership in the League for the purposes of such dispute, and taking any action against a

State member of the League which in the case of a State member of the League would constitute a breach of Article XII, the provisions of Article XVI shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Executive Council may take such action and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE XVIII.—The High Contracting Parties agree that the League shall be entrusted with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest.

ARTICLE XIX.—To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilization and that securities for the performance of this trust should be embodied in the constitution of the League.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position, can best undertake this responsibility, and that this tutelage should be exercised by them as mandataries on behalf of the League.

The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions, and other similar circumstances.

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognized subject to the rendering of administrative

advice and assistance by a mandatory power until such time as they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the mandatory power.

Other peoples, especially those of Central Africa, are at such a stage that the mandatary must be responsible for the administration of the territory subject to conditions which will guarantee freedom of conscience or religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic, and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defense of territory, and will also secure equal opportunities for the trade and commerce of other members of the League.

There are territories, such as Southwest Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilization, or their geographical contiguity to the mandatory state, and other circumstances, can be best administered under the laws of the mandatory state as integral portions thereof, subject to the safeguards above-mentioned in the interests of the indigenous population.

In every case of mandate, the mandatory state shall render to the League an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the mandatory State shall if not previously agreed upon by the High Contracting Parties in each case be explicitly defined by the Executive Council in a special Act or Charter.

The High Contracting Parties further agree to establish at the seat of the League a Mandatory Commission to receive and examine the annual reports of the Mandatory Powers, and to assist the League in ensuring the observance of the terms of all Mandates.

ARTICLE XX.—The High Contracting Parties will endeavor to secure and maintain fair and humane conditions

of labor for men, women, and children both in their own countries and in all countries to which their commercial and industrial relations extend; and to that end agree to establish as part of the organization of the League a permanent Bureau of Labor.

ARTICLE XXI.—The High Contracting Parties agree that provision shall be made through the instrumentality of the League to secure and maintain freedom of transit and equitable treatment for the commerce of all States members of the League, having in mind, among other things, special arrangements with regard to the necessities of the regions devastated during the war of 1914–1918.

ARTICLE XXII.—The High Contracting Parties agree to place under the control of the League all international bureaux already established by general treaties if the parties to such treaties consent. Furthermore, they agree that all such international bureaux to be constituted in future shall be placed under the control of the League.

ARTICLE XXIII.—The High Contracting Parties agree that every treaty or international engagement entered into hereafter by any State member of the League, shall be forthwith registered with the Secretary-General and as soon as possible published by him, and that no such treaty or international engagement shall be binding until so registered.

ARTICLE XXIV.—It shall be the right of the Body of Delegates from time to time to advise the reconsideration by States members of the League, of treaties which have become inapplicable, and of international conditions, of which the continuance may endanger the peace of the world.

ARTICLE XXV.—The High Contracting Parties severally agree that the present Covenant is accepted as abrogating all obligations *inter se* which are inconsistent with the terms thereof, and solemnly engage that they will not hereafter enter into any engagements inconsistent with the terms thereof.

In case any of the Powers signatory hereto or subsequently admitted to the League shall, before becoming a party to this Covenant, have undertaken any obligations

which are inconsistent with the terms of this Covenant, it shall be the duty of such Power to take immediate steps to procure its release from such obligations.

ARTICLE XXVI.—Amendments to this Covenant will take effect when ratified by the States whose representatives compose the Executive Council and by three-fourths of the States whose representatives compose the Body of Delegates.

DOCUMENT 19.

Text of letter from U. S. Senator G. M. Hitchcock of Nebraska to President Wilson, dated March 4, 1919, containing his suggestions for amendment to the Covenant as originally adopted (typewritten copy).

March 4, 1919.

MY DEAR MR. PRESIDENT:

A number of republican Senators who signed Lodge's manifesto on the league of nations constitution will, in my opinion, vote for it nevertheless if it is a part of the peace treaty. A still larger number will give it support if certain amendments are made. The following I would mention as likely to influence votes in the order given:

First, a reservation to each high contracting party of its exclusive control over domestic subjects.

Second, a reservation of the Monroe doctrine.

Third, some provision by which a member of the league can, on proper notice, withdraw from membership.

Fourth, the settlement of the ambiguity in Article 15.

Fifth, the insertion on the next to the last line of first paragraph of Article 8, after the word "adopted," of the words "by the several governments."

Sixth, the definite assurance that it is optional with a nation to accept or reject the burdens of a mandatory.

I wish you a safe journey.

Yours truly,

[*sd*] G. M. HITCHCOCK.

THE PRESIDENT,
The White House.

DOCUMENT 20.

Final text of the Covenant of the League of Nations as it appears in the Treaty of Versailles.

THE COVENANT OF THE LEAGUE OF NATIONS.

THE HIGH CONTRACTING PARTIES,

In order to promote international coöperation and to achieve international peace and security

by the acceptance of obligations not to resort to war,

by the prescription of open, just and honourable relations between nations,

by the firm establishment of the understandings of international law as the actual rule of conduct among Governments, and

by the maintenance of justice and a scrupulous respect for all treaty obligations in the dealings of organised peoples with one another,

Agree to this Covenant of the League of Nations.

ARTICLE 1.—The original Members of the League of Nations shall be those of the Signatories which are named in the Annex to this Covenant and also such of those other States named in the Annex as shall accede without reservation to this Covenant. Such accession shall be effected by a Declaration deposited with the Secretariat within two months of the coming into force of the Covenant. Notice thereof shall be sent to all other Members of the League.

Any fully self-governing State, Dominion or Colony not named in the Annex may become a Member of the League if its admission is agreed to by two-thirds of the Assembly, provided that it shall give effective guarantees of its sincere intention to observe its international obligations, and shall accept such regulations as may be pre-

scribed by the League in regard to its military, naval, and air forces and armaments.

Any Member of the League may, after two years' notice of its intention so to do, withdraw from the League, provided that all its international obligations and all its obligations under this Covenant shall have been fulfilled at the time of its withdrawal.

ARTICLE 2.—The action of the League under this Covenant shall be effected through the instrumentality of an Assembly and of a Council, with a permanent Secretariat.

ARTICLE 3.—The Assembly shall consist of Representatives of the Members of the League.

The Assembly shall meet at stated intervals and from time to time as occasion may require at the Seat of the League or at such other place as may be decided upon.

The Assembly may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

At meetings of the Assembly each Member of the League shall have one vote, and may have not more than three Representatives.

ARTICLE 4.—The Council shall consist of Representatives of the Principal Allied and Associated Powers, together with Representatives of four other Members of the League. These four Members of the League shall be selected by the Assembly from time to time in its discretion. Until the appointment of the Representatives of the four Members of the League first selected by the Assembly, Representatives of Belgium, Brazil, Spain, and Greece shall be members of the Council.

With the approval of the majority of the Assembly, the Council may name additional Members of the League whose Representatives shall always be members of the Council; the Council with like approval may increase the number of Members of the League to be selected by the Assembly for representation on the Council.

The Council shall meet from time to time as occasion may require, and at least once a year, at the Seat of the League, or at such other place as may be decided upon.

The Council may deal at its meetings with any matter within the sphere of action of the League or affecting the peace of the world.

Any Member of the League not represented on the Council shall be invited to send a Representative to sit as a member at any meeting of the Council during the consideration of matters specially affecting the interests of that Member of the League.

At meetings of the Council, each Member of the League represented on the Council shall have one vote, and may have not more than one Representative.

ARTICLE 5.—Except where otherwise expressly provided in this Covenant or by the terms of the present Treaty, decisions at any meeting of the Assembly or of the Council shall require the agreement of all the Members of the League represented by the meeting.

All matters of procedure at meetings of the Assembly or of the Council, including the appointment of Committees to investigate particular matters, shall be regulated by the Assembly or by the Council and may be decided by a majority of the Members of the League represented at the meeting.

The first meeting of the Assembly and the first meeting of the Council shall be summoned by the President of the United States of America.

ARTICLE 6.—The permanent Secretariat shall be established at the Seat of the League. The Secretariat shall comprise a Secretary General and such secretaries and staff as may be required.

The first Secretary General shall be the person named in the Annex; thereafter the Secretary General shall be appointed by the Council with the approval of the majority of the Assembly.

The secretaries and staff of the Secretariat shall be appointed by the Secretary General with the approval of the Council.

The Secretary General shall act in that capacity at all meetings of the Assembly and of the Council.

The expenses of the Secretariat shall be borne by the Members of the League in accordance with the appor-

tionment of the expenses of the International Bureau of the Universal Postal Union.

ARTICLE 7.—The Seat of the League is established at Geneva.

The Council may at any time decide that the Seat of the League shall be established elsewhere.

All positions under or in connection with the League, including the Secretariat, shall be open equally to men and women.

Representatives of the Members of the League and officials of the League when engaged on the business of the League shall enjoy diplomatic privileges and immunities.

The buildings and other property occupied by the League or its officials or by Representatives attending its meetings shall be inviolable.

ARTICLE 8.—The Members of the League recognise that the maintenance of peace requires the reduction of national armaments to the lowest point consistent with national safety and the enforcement by common action of international obligations.

The Council, taking account of the geographical situation and circumstances of each State, shall formulate plans for such reduction for the consideration and action of the several Governments.

Such plans shall be subject to reconsideration and revision at least every ten years.

After these plans shall have been adopted by the several Governments, the limits of armaments therein fixed shall not be exceeded without the concurrence of the Council.

The Members of the League agree that the manufacture by private enterprise of munitions and implements of war is open to grave objections. The Council shall advise how the evil effects attendant upon such manufacture can be prevented, due regard being had to the necessities of those Members of the League which are not able to manufacture the munitions and implements of war necessary for their safety.

The Members of the League undertake to interchange

full and frank information as to the scale of their armaments, their military, naval and air programmes and the condition of such of their industries as are adaptable to war-like purposes.

ARTICLE 9.—A permanent Commission shall be constituted to advise the Council on the execution of the provisions of Articles 1 and 8 and on military, naval, and air questions generally.

ARTICLE 10.—The Members of the League undertake to respect and preserve as against external aggression the territorial integrity and existing political independence of all Members of the League. In case of any such aggression or in case of any threat or danger of such aggression the Council shall advise upon the means by which this obligation shall be fulfilled.

ARTICLE 11.—Any war or threat of war, whether immediately affecting any of the Members of the League or not, is hereby declared a matter of concern to the whole League, and the League shall take any action that may be deemed wise and effectual to safeguard the peace of nations. In case any such emergency should arise the Secretary General shall on the request of any Member of the League forthwith summon a meeting of the Council.

It is also declared to be the friendly right of each Member of the League to bring to the attention of the Assembly or of the Council any circumstance whatever affecting international relations which threatens to disturb international peace or the good understanding between nations upon which peace depends.

ARTICLE 12.—The Members of the League agree that if there should arise between them any dispute likely to lead to a rupture, they will submit the matter either to arbitration or to inquiry by the Council, and they agree in no case to resort to war until three months after the award by the arbitrators or the report by the Council.

In any case under this Article the award of the arbitrators shall be made within a reasonable time, and the report of the Council shall be made within six months after the submission of the dispute.

ARTICLE 13.—The Members of the League agree that

whenever any dispute shall arise between them which they recognise to be suitable for submission to arbitration and which cannot be satisfactorily settled by diplomacy, they will submit the whole subject-matter to arbitration.

Disputes as to the interpretation of a treaty, as to any question of international law, as to the existence of any fact which if established would constitute a breach of any international obligation, or as to the extent and nature of the reparation to be made for any such breach, are declared to be among those which are generally suitable for submission to arbitration.

For the consideration of any such dispute the court of arbitration to which the case is referred shall be the court agreed on by the parties to the dispute or stipulated in any convention existing between them.

The Members of the League agree that they will carry out in full good faith any award that may be rendered, and that they will not resort to war against a Member of the League which complies therewith. In the event of any failure to carry out such an award, the Council shall propose what steps should be taken to give effect thereto.

ARTICLE 14.—The Council shall formulate and submit to the Members of the League for adoption plans for the establishment of a Permanent Court of International Justice. The Court shall be competent to hear and determine any dispute of an international character which the parties thereto submit to it. The Court may also give an advisory opinion upon any dispute or question referred to it by the Council or by the Assembly.

ARTICLE 15.—If there should arise between Members of the League any dispute likely to lead to a rupture, which is not submitted to arbitration in accordance with Article 13, the Members of the League agree that they will submit the matter to the Council. Any party to the dispute may effect such submission by giving notice of the existence of the dispute to the Secretary General, who will make all necessary arrangements for a full investigation and consideration thereof.

For this purpose the parties to the dispute will communicate to the Secretary General, as promptly as possible,

statements of their case with all the relevant facts and papers, and the Council may forthwith direct the publication thereof.

The Council shall endeavour to effect a settlement of the dispute, and if such efforts are successful, a statement shall be made public giving such facts and explanations regarding the dispute and the terms of settlement thereof as the Council may deem appropriate.

If the dispute is not thus settled, the Council either unanimously or by a majority vote shall make and publish a report containing a statement of the facts of the dispute and the recommendations which are deemed just and proper in regard thereto.

Any Member of the League represented on the Council may make public a statement of the facts of the dispute and of its conclusions regarding the same.

If a report by the Council is unanimously agreed to by the Members thereof other than the Representatives of one or more of the parties to the dispute, the Members of the League agree that they will not go to war with any party to the dispute which complies with the recommendations of the report.

If the Council fails to reach a report which is unanimously agreed to by the Members thereof, other than the representatives of one or more of the parties to the dispute, the Members of the League reserve to themselves the right to take such action as they shall consider necessary for the maintenance of right and justice.

If the dispute between the parties is claimed by one of them, and is found by the Council, to arise out of a matter which by international law is solely within the domestic jurisdiction of that party, the Council shall so report, and shall make no recommendation as to its settlement.

The Council may in any case under this Article refer the dispute to the Assembly. The dispute shall be so referred at the request of either party to the dispute, provided that such request be made within fourteen days after the submission of the dispute to the Council.

In any case referred to the Assembly, all the provisions of this Article and of Article 12 relating to the action and

powers of the Council shall apply to the action and powers of the Assembly, provided that a report made by the Assembly, if concurred in by the Representatives of those Members of the League represented on the Council and of a majority of the other Members of the League, exclusive in each case of the Representatives of the parties to the dispute, shall have the same force as a report by the Council concurred in by all the members thereof other than the Representatives of one or more of the parties to the dispute.

ARTICLE 16.—Should any Member of the League resort to war in disregard of its covenants under Articles 12, 13 or 15, it shall *ipso facto* be deemed to have committed an act of war against all other Members of the League, which hereby undertake immediately to subject it to the severance of all trade or financial relations, the prohibition of all intercourse between their nationals and the nationals of the covenant-breaking State, and the prevention of all financial, commercial or personal intercourse between the nationals of the covenant-breaking State and the nationals of any other State, whether a Member of the League or not.

It shall be the duty of the Council in such case to recommend to the several Governments concerned what effective military, naval or air force the Members of the League shall severally contribute to the armed forces to be used to protect the covenants of the League.

The Members of the League agree, further, that they will mutually support one another in the financial and economic measures which are taken under this article, in order to minimise the loss and inconvenience resulting from the above measures, and that they will mutually support one another in resisting any special measures aimed at one of their number by the covenant-breaking State, and that they will take the necessary steps to afford passage through their territory to the forces of any of the Members of the League which are coöperating to protect the covenants of the League.

Any member of the League which has violated any covenant of the League may be declared to be no longer

a Member of the League by a vote of the Council concurred in by the Representatives of all the other Members of the League represented thereon.

ARTICLE 17.—In the event of a dispute between a Member of the League and a State which is not a Member of the League, or between States not Members of the League, the State or States not Members of the League shall be invited to accept the obligations of membership in the League for the purposes of such dispute, upon such conditions as the Council may deem just. If such invitation is accepted, the provisions of Articles 12 to 16 inclusive shall be applied with such modifications as may be deemed necessary by the Council.

Upon such invitation being given the Council shall immediately institute an inquiry into the circumstances of the dispute and recommend such action as may seem best and most effectual in the circumstances.

If a State so invited shall refuse to accept the obligations of membership in the League for the purposes of such dispute, and shall resort to war against a Member of the League, the provisions of Article 16 shall be applicable as against the State taking such action.

If both parties to the dispute when so invited refuse to accept the obligations of membership in the League for the purposes of such dispute, the Council may take such measures and make such recommendations as will prevent hostilities and will result in the settlement of the dispute.

ARTICLE 18.—Every treaty or international engagement entered into hereafter by any Member of the League shall be forthwith registered with the Secretariat and shall as soon as possible be published by it. No such treaty or international engagement shall be binding until so registered.

ARTICLE 19.—The Assembly may from time to time advise the reconsideration by Members of the League of treaties which have become inapplicable and the consideration of international conditions whose continuance might endanger the peace of the world.

ARTICLE 20.—The Members of the League severally agree that this Covenant is accepted as abrogating all

obligations or understandings *inter se* which are inconsistent with the terms thereof, and solemnly undertake that they will not hereafter enter into any engagements inconsistent with the terms thereof.

In case any Member of the League shall, before becoming a Member of the League, have undertaken any obligations inconsistent with the terms of this Covenant, it shall be the duty of such Member to take immediate steps to procure its release from such obligations.

ARTICLE 21.—Nothing in this Covenant shall be deemed to affect the validity of international engagements, such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace.

ARTICLE 22.—To those colonies and territories which as a consequence of the late war have ceased to be under the sovereignty of the States which formerly governed them and which are inhabited by peoples not yet able to stand by themselves under the strenuous conditions of the modern world, there should be applied the principle that the well-being and development of such peoples form a sacred trust of civilisation and that securities for the performance of this trust should be embodied in this Covenant.

The best method of giving practical effect to this principle is that the tutelage of such peoples should be entrusted to advanced nations who by reason of their resources, their experience or their geographical position can best undertake this responsibility, and who are willing to accept it, and that this tutelage should be exercised by them as Mandatories on behalf of the League.

The character of the mandate must differ according to the stage of the development of the people, the geographical situation of the territory, its economic conditions, and other similar circumstances.

Certain communities formerly belonging to the Turkish Empire have reached a stage of development where their existence as independent nations can be provisionally recognised subject to the rendering of administrative advice and assistance by a Mandatory until such time as

they are able to stand alone. The wishes of these communities must be a principal consideration in the selection of the Mandatory.

Other peoples, especially those of Central Africa, are at such a stage that the Mandatory must be responsible for the administration of the territory under conditions which will guarantee freedom of conscience and religion, subject only to the maintenance of public order and morals, the prohibition of abuses such as the slave trade, the arms traffic and the liquor traffic, and the prevention of the establishment of fortifications or military and naval bases and of military training of the natives for other than police purposes and the defence of territory, and will also secure equal opportunities for the trade and commerce of other Members of the League.

There are territories, such as South-West Africa and certain of the South Pacific Islands, which, owing to the sparseness of their population, or their small size, or their remoteness from the centres of civilisation, or their geographical contiguity to the territory of the Mandatory, and other circumstances, can be best administered under the laws of the Mandatory as integral portions of its territory subject to the safeguards above mentioned in the interests of the indigenous population.

In every case of mandate, the Mandatory shall render to the Council an annual report in reference to the territory committed to its charge.

The degree of authority, control, or administration to be exercised by the Mandatory shall, if not previously agreed upon by the Members of the League, be explicitly defined in each case by the Council.

A permanent Commission shall be constituted to receive and examine the annual reports of the Mandatories and to advise the Council on all matters relating to the observance of the mandates.

ARTICLE 23.—Subject to and in accordance with the provisions of international conventions existing or hereafter to be agreed upon, the Members of the League:

(a) will endeavour to secure and maintain fair and humane conditions of labour for men, women,

and children, both in their own countries and in all countries to which their commercial and industrial relations extend, and for that purpose will establish and maintain the necessary international organizations;

(b) undertake to secure just treatment of the native inhabitants of territories under their control;

(c) will entrust the League with the general supervision over the execution of agreements with regard to the traffic in women and children, and the traffic in opium and other dangerous drugs;

(d) will entrust the League with the general supervision of the trade in arms and ammunition with the countries in which the control of this traffic is necessary in the common interest;

(e) will make provision to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all Members of the League. In this connection, the special necessities of the regions devastated during the war of 1914–1918 shall be borne in mind;

(f) will endeavour to take steps in matters of international concern for the prevention and control of disease.

ARTICLE 24.—There shall be placed under the direction of the League all international bureaux already established by general treaties if the parties to such treaties consent. All such international bureaux and all commissions for the regulation of matters of international interest hereafter constituted shall be placed under the direction of the League.

In all matters of international interest which are regulated by general conventions but which are not placed under the control of international bureaux or commissions, the Secretariat of the League shall, subject to the consent of the Council and if desired by the parties, collect and distribute all relevant information and shall render any other assistance which may be necessary or desirable.

The Council may include as part of the expenses of the Secretariat the expenses of any bureau or commission which is placed under the direction of the League.

ARTICLE 25.—The Members of the League agree to encourage and promote the establishment and coöperation of duly authorised voluntary national Red Cross organisations having as purposes the improvement of health, the prevention of disease and the mitigation of suffering throughout the world.

ARTICLE 26.—Amendments to this Covenant will take effect when ratified by the Members of the League whose Representatives compose the Council and by a majority of the Members of the League whose Representatives compose the Assembly.

No such amendment shall bind any Member of the League which signifies its dissent therefrom, but in that case it shall cease to be a Member of the League.

ANNEX.

I. ORIGINAL MEMBERS OF THE LEAGUE OF NATIONS SIGNATORIES OF THE TREATY OF PEACE.

UNITED STATES OF AMERICA
BELGIUM
BOLIVIA
BRAZIL
BRITISH EMPIRE
  CANADA
  AUSTRALIA
  SOUTH AFRICA
  NEW ZEALAND
  INDIA
CHINA
CUBA
ECUADOR
FRANCE
GREECE
GUATEMALA
HAITI
HEDJAZ
HONDURAS
ITALY
JAPAN
LIBERIA
NICARAGUA
PANAMA
PERU
POLAND
PORTUGAL
ROUMANIA
SERB-CROAT-SLOVENE STATE
SIAM
CZECHO-SLOVAKIA
URUGUAY

STATES INVITED TO ACCEDE TO THE COVENANT.

ARGENTINE REPUBLIC	PERSIA
CHILI	SALVADOR
COLOMBIA	SPAIN
DENMARK	SWEDEN
NETHERLANDS	SWITZERLAND
NORWAY	VENEZUELA
PARAGUAY	

II. FIRST SECRETARY GENERAL OF THE LEAGUE OF NATIONS.

The Honourable Sir James Eric Drummond,
K. C. M. G., C. B.

DOCUMENT 21.

Text of the so-called "Loucheur Report" from Appendix B to Secret Minutes, Council of Ten, February 7 (mimeograph).

APPENDIX B TO MINUTES OF COUNCIL OF TEN.

February 7, 1919.

1557.

(*Secret.*)

Report by the Committee appointed by the SUPREME WAR COUNCIL at the Meeting of the 24th January, 1919. (Morning.)

The Committee consisting of

Monsieur Loucheur, as President	(France)
Marshal Foch, Commander-in-Chief of the Allied Forces.	
General Bliss	(America)
General Sir Henry Wilson (acting for Mr. Winston Churchill)	(Great Britain)
General Sir Frederick Sykes	(Royal Air Force)
H. E. General Diaz, Chief of the Staff, Italian Army.	

Assembled on the 27th January, 2nd and 5th February.

From an examination of the Reports made by the Sub-Committees and from the discussion which followed it appeared that—

1. There is some uncertainty regarding the strength of the existing German Army, and the resources in war material of all kinds at its disposal, but both are still considerable.

2. There is similar uncertainty regarding the war material and stocks of munitions in the interior of Germany,

both in proof and in course of manufacture, also regarding the means of production of such materials, but these stocks and the means of production also are certainly still considerable in quantity.

Any serious reduction in the effective strength of the Allied Army of Occupation must depend on the carrying out of certain necessary measures, the execution of which must be controlled. To this end the Committee recommends the following arrangements:

War material actually in possession of the German Armies.

An approximate estimate of such war material is set forth in Annex No. 1.

The Committee therefore considers that the Allied Governments should fix definitely the number of troops and the amount of war material of certain categories to be left in the hands of the German Armies, which it proposes should be reduced to a strength of 25 Infantry Divisions and 5 Cavalry Divisions, and recommends that all material in excess should be handed over.

All the war material to be surrendered by the Germans, all stock of asphyxiating gas and gas masks, must be given up at places selected by agreement, to Committees of Allied officers who will carry out the removal, or the destruction, or the putting out of action of the surrendered war material, according to circumstances.

As regards destruction and putting out of action, certain detailed measures have been considered; these will be carried out by the above-mentioned Allied officers if the general principles are accepted.

Manufacture of war material.

Similarly it is necessary that the German Government should pledge itself not to continue the manufacture of war material during the period of the armistice, in order that she may not rearm in secrecy.

The most certain method of ensuring the correct execution of the above undertaking would consist in controlling certain German munition factories but not necessarily all

of them and in removing or destroying special machinery as indicated in the Report of the Technical Sub-Committee (Annex 2). This control could be exercised by a comparatively small number of Allied experts.

It is, however, necessary to provide for the possibility that, after the Allies have reduced the Army of occupation, Germany may put obstacles in the way of such control and resume the production of war material.

The Committee, therefore, calls attention to the fact that a form of guarantee less comprehensive, but sufficiently efficacious, provided that the delivery of existing material has taken place, could be found in the establishment of absolute control by military occupation of the area extending to the east of the Rhine for an average depth of about 50 kilometres from Cologne to 15 kilometres to the north of Duisberg, in such a way as to embrace Essen and the principal Krupp establishments, the greater part of the Rheinish-Westphalian coal-fields and the metallic industries which depend on these. A map has been sent to Marshal Foch showing this zone.

The importance of this region from the point of view of war in industries is so great that it would be practically impossible for Germany once disarmed to take up arms if she had not free disposal of it.

Further, the prevention of exportation to the unoccupied German territories of the general products of this area would have the most serious consequences from an economic point of view. If the general munition control is interfered with or if unauthorized production is found to be going on, trade between the occupied territory and the unoccupied territory would be prohibited.

These results can be looked for as a consequence of negotiating with the enemy, or they can be enforced upon him as a condition of the renewal of the Armistice. In the latter case the text of the agreement might be that of the appended draft.

General Bliss has drawn up a Note (Annex 3) dealing with certain reservations he wishes to make on the subject matter of the above paragraphs.

General Diaz brought to notice the importance, in case

German Austria should be joined to Germany, of foreseeing the necessity of taking analogous measures as regards factories in which war material is manufactured in that region, where there are many of importance.

(Attached is an additional clause to the Armistice conditions compiled in accordance with the above-mentioned idea.)

To this Report are annexed the following documents:—

Annex 1. Report dated 1st February, 1919, of the Military Sub-Committees.

Annex 2. Report dated 2nd February, 1919, of the Technical Sub-Committee.

Annex 3. Memorandum by General Bliss, United States Army.

Annex 4. Paper by General Groves devoted to aeronautics.

Annex 5. Normal allowance of arms for German units.

ADDITIONAL CLAUSE TO THE ARMISTICE CONDITIONS.

1. It is hereby agreed that provided Germany renounces definitely any intention to resume hostilities and carries out the following conditions as a guarantee of such renunciation, the Allied and Associated Governments will reduce the financial burden imposed upon Germany by the Allied occupation.

2. The reduction of the burden of occupation must be preceded by the adoption of the measures mentioned below, the execution of which will show clearly the wish of Germany not to resume hostilities and to cease the manufacture of war material.

3. Germany undertakes to reduce the effective personnel of her Armies to such numbers as are strictly necessary for the garrison of their frontier and the maintenance of order in the interior, that is to say

25 Divisions*
5 Cavalry Divisions*

4. Germany consequently undertakes to reduce the quantity of war material to be maintained to the following figures:—

*The establishment of a Division is shown in Annex 5.

Note: General Weygand wishes to give further consideration to these figures before accepting them.

Heavy Guns	1,000
Field Guns	1,575
Machine Guns	3,825
Automatic Rifles	4,500
Rifles	412,500
Aeroplanes	see para. 5 bis.
Trench Mortars	1,400

5. Consequently all war material of the above natures in excess of these figures will be delivered at places to be fixed by agreement, either in occupied or non-occupied portions of Germany or outside Germany, to Commissions of Allied officers who will be appointed for this purpose. These surrenders will apply to the whole of the war material existing either with the Armies or in the interior in parks, depots, factories, etc., whether finished, under proof, or in course of construction or repair. The Allied officers will carry out according to circumstances the removal or the destruction or the putting out of action of the war material so surrendered.

5. bis. *Aircraft.* With regard to aircraft, Germany to surrender the following:—

(a) 5,000 engines of types to be selected by the Allies.

(b) 450 German marine aircraft (i. e., aeroplanes, seaplanes and flying boats) to be selected by the Allies.

(c) 15 airships to be selected by the Allies.

(d) All aircraft will be complete with all war equipment and armament and to be flown by German personnel to places to be specified by the Allies before a date to be fixed by the Allies.

(e) 6 Rigid Airship Sheds over 800 feet long, with the complete hydrogen-producing plant for each of the airship-sheds, will also be surrendered in an efficient condition.

Note: It is considered important that the question of the ultimate destination or destruction of all aircraft and aircraft material surrendered by Germany shall be settled by

the Supreme War Council when a decision as to the amount to be delivered has been arrived at.

6. All tanks (all gas masks) and stocks of mustard and arsenical gases with projectors and cylinders will be surrendered.

7. Germany will, in addition, bind herself expressly to stop all manufacture of war material of every kind, except that strictly necessary for the upkeep of material of which the existence is authorized.

8. To ensure the loyal and complete execution of the pledges undertaken by Germany as laid down in paras. 1, 3, 4, 5, 5 bis., 6 and 7, the Allied Governments will maintain in Germany a Mission of technical experts and officers who will control the factories, workshops, and building yards engaged in the manufacture of the classes of war material mentioned in pars. 4, 5 bis., and 6 and munition parks and magazines of all kinds.

This mission shall be authorized to inspect factories and to remove or destroy such specialized machinery engaged in the production of the above-mentioned claims of war material as they may consider necessary to ensure the cessation of output as aforesaid.

The civil and military German authorities will supply these experts with the whole of the information which they will need to carry out their mission and will furnish them with all the necessary material means, and all the necessary authorizations to complete it, without allowing any obstacle to be placed in their way.

9. In the event of Germany not agreeing to the foregoing proposals, or in the event of her not carrying them out after having agreed to them the Allied Governments will proceed to the military occupation of the Westphalian basin on the right bank of the Rhine, the territory painted red on the map which is annexed.

General
C. I. G. S.

Military Section,
British Delegation.
5th February 1919.

[Five annexes omitted.]

PART IV

STRUGGLE FOR LIMITATION OF ARMAMENTS

DOCUMENT 22.

Letter to President Wilson, March 14, 1919, from Rear-Admiral W. S. Benson (autographed original), submitting memorandum, dated March 13, of United States Naval Advisory Staff on "Disposition of German and Austrian Vessels of War" (typewritten original).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

14 March, 1919.

MY DEAR MR. PRESIDENT:

Realizing the tremendous importance of the final disposition of the enemy war vessels, we have given the subject most earnest and careful thought and study, and our views are as concisely and clearly expressed in the attached paper as we can put them.

Due to the importance of this subject, I hope you will pardon me for strongly urging upon you the advisability of reading this entire paper, as we have tried to make it cover every single point involved in this question.

Should there be any doubt in your mind, or should you wish to ascertain what I believe to be the professional opinions of the officers of the foreign Navies with whom I have been associated in the various conferences in Paris, I would appreciate very much the opportunity of discussing this matter personally with you.

I fully appreciate the value of your time and have therefore tried to make the paper as short as possible consistent with clearness and completeness.

Sincerely yours,
[*Signed*] W. S. BENSON.

The President of the United States.

(Confidential.)

U. S. NAVAL ADVISORY STAFF, PARIS.

Memorandum No. XXIV

SUBJECT: DISPOSITION OF GERMAN AND AUSTRIAN VESSELS OF WAR.

Copies to:
Mr. Lansing
Colonel House
General Bliss
Mr. White
Navy Department
Files

13 March, 1919.

MEMORANDUM.

The following naval vessels are, by the proposed naval terms of peace, to be surrendered to the Allies and the United States—

Battleships	21	(3 Austrian)
Battle Cruisers	6	
Light Cruisers	19	(3 Austrian)
Destroyers	101	(9 Austrian)
Submarines (about). . .	135	(15 Austrian)

There is now under consideration by the Peace Conference two methods of disposing of these vessels:—

(1) Destruction.
(2) Distribution among the great Powers.

REASON FOR DESTRUCTION.

(a) The covenant for a League of Nations, Article VIII, states "The High Contracting Parties recognise the principle that the maintenance of peace will require the reduction of national armaments to the lowest point consistent with national safety."

The destruction of the German-Austrian vessels would be a practical demonstration to the world of the sincerity of the High Contracting Parties in their determination to reduce armaments. The distribution of the German-

Austrian vessels would increase the strength of the naval armaments of the great Powers about 30 per cent. Great Britain, the United States, Japan, France, and Italy have now 85 dreadnoughts and battle cruisers. The German-Austrian dreadnoughts and battle cruisers awaiting disposition number 27.

(b) The fact that the menace of German-Austrian naval power is removed renders unnecessary any increase in the strength of the navies of the European Powers. On the contrary, the logical result of the elimination of this menace should be a reduction in European naval armaments.

(c) The addition of German-Austrian ships to the navy of any European power would be an increased economic burden to that power. As the United States is called upon to assist financially the great powers of Europe which are already heavily in our debt and now nearly bankrupt, it is to our financial interest to oppose any unnecessary increase of their financial obligations.

(d) The distribution of German-Austrian vessels would arouse dissatisfaction and jealousy between states that were not satisfied with their respective shares and would tend to stimulate armament construction to restore former relative naval strength. It is physically impossible to make an equitable distribution of the German Navy among the great Powers. The ships are of a variety of types of greatly varying value, so that it is not a question of numbers, but rather a vastly intricate naval question. We consider it dangerous to permit this question to be opened at all, since the problems presented by it cannot be solved without compelling some of the Powers to accept semi-obsolete vessels, thus giving them grounds for future bitterness.

(e) The United States should not participate in the distribution. America is proud to claim that she came into this war with clean hands and will come out with empty hands. We cannot stultify our position by accepting any spoils of war.

(f) It is essential that the United States have a navy as large as that of Great Britain. The League of Nations

must be strong enough to restrain, if necessary, its strongest member.

No international navy made up of ships of heterogeneous types, training, language, custom and command could hope to cope with the British fleet. There must exist in such an international force a single unit of the same nationality of equal strength to the navy of Great Britain. Such a unit with the assistance of the forces of the League would be able to enforce the mandates of the League against any power. The United States has its ambitions satisfied and can be relied upon to support loyally the League of Nations. The nations of the world know this and have faith in us. Should we ever fail in our international obligations there would exist the forces of the League with the fleet of Great Britain to apply the remedy.

Any distribution of the German-Austrian ships on the basis of losses or of naval effort in the war would give the lion's share to Great Britain, which would mean that the American taxpayer must pay hundreds of millions of dollars to restore equality of strength.

(g) The German capital ships were built for a special purpose—to oppose the British fleet. They are of short steaming radius, built to fight near home and are unsuitable for overseas operations. They have German guns, German equipment and depend on German shops and yards for replacements and upkeep. They would be uneconomical and inefficient as a part of a foreign navy. They are inferior in type to the later British and American ships and will soon be obsolete. Any country that gets them will find the cost of maintenance out of proportion to their value. Great Britain alone might afford to keep them as a reënforcement to her Channel fleet, thereby releasing her own modern types for operations abroad.

(h) There are in the world but two great Powers whose existence depends on naval strength. These are Great Britain and Japan. In the past Great Britain built with the exclusive idea of keeping a safe superiority over the German fleet. In the future her sole naval rival will be the United States, and every ship built or acquired by Great Britain can have in mind only the American fleet.

Japan has no rival in the Pacific except America. Every ship built or acquired by Japan can have in mind only opposition to American naval strength in the Pacific.

The United States, in its desire to maintain the peace of the world and to help all nations, must not forget the necessity of national safety. Any reduction in our relative naval strength will weaken our influence in the world and will limit our ability to serve the League of Nations.

While distribution of the German-Austrian vessels to other Powers than Great Britain or Japan would not be so serious for us, it must be borne in mind that Great Britain is in a position in Europe to compel, if necessary, a naval alliance that would add these ships to her fleet.

(i) There is no means of guaranteeing that once the distribution was made on an agreed basis, participating Powers would not sell or exchange their vessels or others which they replace to some other Power and thereby affect the relative naval strength of states in a manner not contemplated in their distribution.

(j) The German-Austrian submarines should not be distributed—they should be destroyed. Not only should these submarines be destroyed, but all submarines in the world should be destroyed, and their future possession by any Power forbidden. They serve no useful purpose in time of peace. They are inferior to surface craft in time of war except in ability to treacherously attack merchant ships. In the present war, 99 per cent. of submarine attacks were illegal attacks on merchant ships. Civilization demands that naval war be placed on a higher plane and confined to combatant vessels. So long as the submarine exists it will be used in the stress of war to attack neutral trade. High officers of the British Admiralty have justified the unrestricted use of submarines by Germany on the ground of military necessity.

REASONS FOR DISTRIBUTION.

(a) The chief reason advanced for not destroying the German-Austrian vessels is that it is unsound to destroy good vessels already built that cost millions of dollars,

while naval Powers are spending money to build new ships. The soundness of this argument is more apparent than real. The distribution of the German-Austrian ships would so disturb the relative naval strength of the Powers that it would necessitate a building programme greater than any now necessary or contemplated, and in the end would only add the burden of the upkeep of the new ships to those acquired by the distribution. This result would particularly affect the United States who would be compelled to bear the brunt of matching the increased naval strength of Great Britain.

(b) The particular desire on the part of France for distribution of the German-Austrian ships is based on the claim that while naval Powers like Great Britain and the United States were enabled by their war effort to increase the power of their fleets, France was compelled to devote all her effort to the manufacture of materials for land warfare, which leaves her at the end of the war in an unfair position relative to other naval powers whose chief effort was on the seas.

The justice of this claim must be admitted at once, but it is not admitted that the distribution of German-Austrian ships would in any way serve as a compensation. The financial condition of France does not warrant any addition to her armament burdens. The elimination of the fleet of her ancient enemy renders any addition to her fleet unnecessary. Aside from these reasons, even though a very real benefit would come to France from this distribution, such benefit to a single nation should not outweigh the interests of the rest of the world.

The following table illustrates the result of a distribution of the German-Austrian capital ships as affecting the relative naval strength of the five great naval Powers. It is assumed that minor types would be distributed in the same proportion.

Two assumptions are made—(1) that distribution would take place on a basis of relative naval effort in the war, in which case the least favorable treatment of Great Britain would demand that her share should be twice as

great as that of any other Power (the United States not participating); or (2) that the distribution should be on the basis of absolute naval losses in the war, in which case the share of Great Britain would be still greater.

	I	II	III
	Before distribution	After distribution on 2 to 1 basis, U. S. not participating	After distribution on basis of absolute losses
Great Britain	43	53	63
United States	17	17	17
France	7	13	12
Japan	13	18	13
Italy	5	11	7

To be noted in connection with Column I:

(a) With the German Navy wiped out and before any distribution takes place, Great Britain has 43 capital ships; all other great Powers together have 42 capital ships. (Great Britain has also a corresponding superiority in destroyers and submarines.)

(b) The United States must build 26 more capital ships than Great Britain does in an equal period of time in order to have a navy equal to Great Britain's.

To be noted in connection with Column II:

(c) If the German Navy is distributed on a 2 to 1 basis, the United States not participating, Great Britain will have 53 capital ships. All other great Powers together will have 59 capital ships.

(d) The United States will have to build 36 more capital ships than Great Britain does in an equal period of time in order to have a navy equal to Great Britain's.

To be noted in connection with Column III:

(e) In case the German Navy is distributed on the basis of absolute losses, Great Britain will have 63 capital ships; all other great Powers together will have 49 capital ships.

(f) The United States will have to build 46 more capital ships than Great Britain does in an equal

period of time in order to have a navy equal to Great Britain's.

(g) If a distribution of the German Navy is made, the naval armaments requiring to be supported by the five great Powers will be increased immediately from 85 capital ships to 112 capital ships, and this at a time when we are talking disarmament and when the world is burdened with a debt that it cannot pay.

Should the United States and Great Britain participate in the distribution but sink their respective shares, the result would be as follows—

	I	II	III
	Before distribution	After distribution on 2 to 1 basis	After distribution on basis of absolute losses
Great Britain	43	43	43
United States	17	17	17
France	7	11	12
Japan	13	17	13
Italy	5	9	7

NOTE: A distribution on this 2 to 1 basis would leave Japan with the same number of capital ships as the United States.

We believe it to be essential that the disposition of the German-Austrian vessels be settled at once and by the terms of the Peace Treaty. Unless the matter is decided now as a part of the peace terms there will be an inevitable loss of interest in this vital matter and an increasing difficulty in reaching a unanimity of agreement that may in the end result in a disposition of these vessels that will be favorable to the strongest naval Power and vitally affect our relative naval strength.

Since, so far as known, there will be but one treaty and that with Germany, and since the disposition of the German-Austrian ships is one of the principal points to be decided by that treaty, if the disposition of these vessels is not definitely stated in that treaty there will be no binding provision between the Allies and the United States that will determine the final disposition of the German-Austrian fleets.

The controlling reasons why the German-Austrian vessels of war should not be distributed may be summarised briefly as follows:

The covenant of the League of Nations requires reduction of armaments. *Distribution* increases the naval armaments of the great Powers by over 30 per cent.

A stable League of Nations requires two equally great navies. *Distribution* makes it impossible during many years to come for the American Navy to overtake the British Navy.

World conditions demand taxation be reduced. *Distribution* will increase taxation.

World conditions demand the removal of sources of friction. *Distribution* will be an endless source of friction and ill-feeling, not only on the part of Germany, but among the Allies.

World interests demand that no single power may rule the sea against all comers. *Distribution* will establish a single power more firmly than ever in a position that dominates the sea completely.

The morale of the world requires a dramatic herald of better days. *Distribution* will herald preparations for a continuance of warlike measures.

American interests in the League of Nations compel her to accept the burden of a navy equal to Great Britain's. *Distribution* makes that burden too great.

France wants Distribution. All other countries want destruction.

CONCLUSION.

We conclude that—

(1) The disposition of the German-Austrian vessels of war should be incorporated in the peace treaty.

(2) In order that the disposition may be carried out as agreed upon, the disposition should be stated in the terms submitted to Germany and Austria.

(3) That the terms of the peace treaty signed by Germany and Austria should provide for the destruction of the German-Austrian vessels of war.

DOCUMENT 23.

Letter to President Wilson, April 9, 1919, from Rear-Admiral W. S. Benson (autographed original), submitting memorandum dated April 7, of United States Naval Advisory Staff on "United States Naval Policy" (typewritten original).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Paris,
April 9, 1919.

MY DEAR MR. PRESIDENT:

I am sending you herewith a paper which we have prepared after much thought and study.

If I may presume to say so, I urge you to read it, as it will undoubtedly assist you in forming definite conclusions on this most important subject without consuming the time that would otherwise be necessary for independent investigation.

My own opinion is that the necessity for at least two approximately equal naval powers is absolute in order to stabilize the League of Nations. This fact should be recognized, and the United States should give it as a reason for building up and maintaining its Navy.

Sincerely yours,
[*Signed*] W. S. BENSON.

The President of the United States.

7 April, 1919.

(Confidential.)

U. S. NAVAL ADVISORY STAFF, PARIS.

Memorandum No. XXV.

SUBJECT: UNITED STATES NAVAL POLICY.

There is no subject in connection with the League of Nations that has caused so much perplexity, both at home and abroad, as the apparent inconsistency of the United States in advocating a general reduction of armaments, while itself undertaking an intensified Naval Building programme.

It is natural that a hostile foreign press should seize upon this apparent inconsistency as an evidence of hypocrisy on the part of the American Government, which is accused of aiming to obtain an advantage over other Powers by inducing them to trust in the ideal strength of an unarmed League, while continuing itself to rely on the practical strength of an armed nation. We hope that the following examination of the subject will make clear to all that American aims are legitimate aims, and that the step America is taking is one demanded by world interest, and one that menaces the just aspirations of no Power whatever.

Every great change in world conditions makes it incumbent on each of the several States of the world to reëxamine its special situation, and to determine from this examination the policies that will enable it best to fulfil its duties to the world and to itself. Such a change in world conditions has come and such a duty now falls upon us as Americans. There are many interrelated external policies which America must determine, but this paper deals with naval policy only. Naval policy is a means to an end, a means designed to assist the State in the attainment of its international mission. This mission for the United States is twofold—a duty to itself and a duty to the world.

I. To promote and guard the interests of the United States in every way consonant with justice.

II. To assist in promoting the welfare of the world.

We can make no progress in promoting our international interests, or in promoting the welfare of the world, except through international relations. Whenever we enter into such relations we meet with other national aims, with other national desires for the advancement of the interests of other nations. The result is in part a system of exchange of advantages between States. If all international relations were but systems of exchange of advantages and concessions, and if no advantages were sought by any State except on the basis of equal exchange, there might be no occasion for the use of force in international relations, but such is not the case.

The growth of populations, the development of national character, changes in national life, all introduce at times insistent demands on other nations that are not consonant with the interests of those nations. As our principle is the promotion of national interests and world interests in harmony with justice, we have to consider how extraordinary international demands may be resisted where they are not just.

Just and friendly relations are stimulated when national aims may be attained through the reciprocal granting of advantages on an equitable basis. The aim, of course, on either side of a negotiation is *profit* in some form or other. The natural aim is toward the maximum profit. This is as true in international negotiation as in private negotiation, so there is a constant tendency for nations to devise means for obtaining by negotiation advantages as great as possible. The negotiations of individuals and of corporations are governed by written law, which has a distinctly limiting influence on attempts to obtain unjust profits. When States negotiate, they are free from the restraining influence of law and may exact every advantage which their position makes it possible for them to exact. On minor questions we expect them to apply equitable principles in their negotiations, but when questions of great national importance are at issue, expediency rather than principle governs.

The question then becomes not so much a question of

exchange of *advantages* as the acceptance by the weaker state of demands made, rather than submission to the penalties that otherwise would be inflicted by the more powerful State. In other words, the attention of the negotiators is shifted from the principle of exchange to the principle of power, the decisions are arrived at by an estimate of relative power, and this whether force be used or not.

> If Liberia cannot prevent occasional crimes within her borders, she is compelled to yield territory to neighbouring colonies as compensation, the alternative being still more drastic action.
>
> If Japan cannot get from China the concessions she desires, she presents China with twenty-one demands and intimates that the exchange China has to make is the granting of those demands in return for the non-infliction on her of the alternative penalties of war measures. Potential military force slips in and closes the bargain that China maintains is an unjust bargain.
>
> If England cannot get by the mild terms of diplomatic notes the decisions she desires regarding equal rights in the use of the Panama Canal, she presents a note that uncovers the idea of a military superiority sufficient to enforce what she considers a just decision.

When we examine our own world situation in the new order of things, we realize that all of our important international relations and all of our important international questions hinge upon matters relating to the sea and sea communications. We cannot advance our external interests, nor can we influence world policy, except by way of the sea. Practically all of our great commerce is sea commerce. If any foreign State desires to bring military pressure to bear upon us, it must be a pressure based upon possible operations by way of the sea. The attack of our Colonies, of our commerce, of our frontiers, depends first of all upon what happens at sea. Conversely if we desire

to retaliate or to exert opposing military pressure, we must base our efforts upon our sea power.

In the past our naval position has derived great strength from the potential hostility of the British and German fleets. Neither the German nor the British fleet could venture abroad without grave risk that the other would seize the opportunity thus presented to crush a rival. This condition gave to America a position of special strength both in council and in decision, because her navy was so strong that no other navy could neglect its influence. All that is now changed. The German fleet has ceased to exist, with the result that we suddenly find the British Navy in a position of unparalleled strength. No navy is left in Europe capable of offering any real resistance to the British Navy.

Under present conditions the British Navy, with its world-wide supporting organization, is strong enough to dominate the seas in whatever quarter of the globe that domination may be required. We do not consider this a condition calculated to advance either our own just interests or the welfare of the world. A power so absolute that it may disregard other powers with impunity, is less apt to act with justice than if there be a balancing influence of force as well as of world opinion to oppose it. This is true within a league of nations as well as without a league of nations.

Even when force is not applied, the knowledge of its readiness is always an asset in negotiation. The smooth and leisurely phrases of diplomacy derive their pungency from a vision of the force in readiness that lies behind them. Governments are influenced less by words than by material facts. We are conscious of this in every phase of the proceedings of the Peace Conference now in progress. Everyone, except ourselves, looks to British Naval Representatives for suggestions in naval matters and to French Military Representatives for suggestions in military matters. This phenomenon is the unavoidable tendency of the strong to dominate, and of the weak to accept domination.

Since we are considering naval policy as affecting Amer-

ican interests, and since the British Navy is the only navy in existence that can threaten the American Navy, British policies have a peculiar interest for us.

Every great commercial rival of the British Empire has eventually found itself at war with Great Britain—and has been defeated. Every such defeat has strengthened the commercial position of Great Britain.

The constant effort of Great Britain through centuries has been to acquire control of the foci of the sea commerce of the world.

A present governing policy of Great Britain is the control and monopoly, so far as possible, of international communications. These include—

Submarine Telegraph Cables,
Radio Systems,
Commercial Aircraft,
Merchant Shipping,
Fuelling Facilities,
Fuel Deposits.

The British negotiations at the Peace Conference are conducted with these objects frankly in view. Their attainment is possible largely through British strength at sea. No one can contend that such monopolies represent the promotion of interests that are just to all the world.

The possibility of future war is never absent from the minds of statesmen, so we see in the British negotiations a very careful attention to the preservation of their present military domination of the sea. Among the measures they contend for are—

1. *The distribution of the German and Austrian fleets.*

   COMMENT. Great Britain now has more than half of all the dreadnoughts of the world; if the German and Austrian ships are distributed on the most probable basis of *losses during the present war*, the United States would have to add to its navy double the number of dreadnoughts it already possesses, or else remain an inferior naval power. In any case this perfectly logical policy of Great Britain, if carried out, will place her in a position of supremacy for many years to come.

2. *The razing of fortifications commanding waterways that Great Britain does not control.*

   COMMENT. This is a natural policy of a great sea power. Its object is to give, in time of war, the maximum possible freedom to that Power whose navy controls the sea. It is put forward as being a policy in the interest of freedom of the seas, but the true object is that given above.

3. *The most liberal possible interpretation of belligerent rights on the High Seas.*

   COMMENT. Very few people realize how reluctant the British are to codify maritime international law. They naturally prefer the absence of law in order that during war their Navy may have complete freedom of action. The absence of Maritime Law during the present war has led to an expansion of so-called belligerent rights that certainly would never be accepted by an International Congress. As an example, if Canada should attempt to gain her independence from Great Britain by force, and if the United States remained neutral, it is the British contention that Great Britain could blockade every port of the United States and could so regulate our imports that we could spare none for exportation to Canada. This is not International Law, but an application of the law of force to neutrals. The only reply is the presence of a potential force that will secure the abandonment of the contention.

These proposals take on a special significance because of a recent pronouncement. At a time when all the world is seeking to form a league of nations that will secure justice to great and small nations alike, the British Prime Minister announces that the British alliance with France will continue for ever. In the Far East, Japan remains within the British alliance. We look in vain for any provision of the League Covenant that forbids such alliances. Such combinations seem to us to contain elements of grave danger and to demand of us extraordinary measures.

Our own present and prospective world position needs

special consideration. We are setting out to be the greatest commercial rival of Great Britain on the seas. We know that increase of population, the development of our great national resources, and our lack of real dependence on the rest of the world, spread before us the promise of a greater future than any other Power may expect. The gradual realization of this promise is bound to excite enmity and to cause unjust opposition to our expanding world interests. Heretofore we have lived apart, but now we are to live in constant and intimate relation with the rest of the world. We must be able to enter every world conference with the confidence of equality. We can have this confidence in but one way and that is by actually being equal to the greatest. The equality that counts in conferences as well as in conflicts is the equality of power, and specially for us the equality of sea power. Given that equality, our superiority of motive will attract to us a following that will mean better days in the world. But while we are weak we may expect the powers of the world to group themselves about strength rather than about the promise of a distant justice.

So far we have been considering the question of naval policy more particularly from the standpoint of our just interests, but there is a higher standpoint still—the promotion of the welfare of the world, that demands with special insistence that the American Navy equal the most powerful navy in the world. At present the great international ideal is the League of Nations for the maintenance of international justice. The League is to operate through the association of the Powers. Its decisions are to be arrived at by conferences of representatives of the Powers. It is unavoidable that in those conferences military and naval power will speak with a special authority. America stands for high ideals and desires, above all to promote those ideals. The possession of power, and especially of the kind of power that is most effective in our international relations, sea power, will give to her proposals an importance and a probability of acceptance far greater than we could expect otherwise.

Whatever may be the eventual form of the Covenant of the League of Nations as adopted, it will undoubtedly contain as a fundamental idea the duty of the League to restrain, if necessary, by the use of armed force, any recalcitrant member that endangers the peace of the world. It is obvious that the Covenant cannot be accepted as just, even in principle, unless it contemplates that the will of the League shall be imposed upon the strong as well as upon the weak. When we think of a recalcitrant member, we are too apt to think of Albania instead of one of the Great Powers, but the soundness of the League as a practicable working scheme must stand the test of its ability to restrain, if necessary, its strongest member. This cannot be done by a heterogeneous combination of naval craft assembled by the nations of the League, unless in that assemblage there is one group of a single nationality that is equal in strength to the strongest navy. It happens now that that navy is the British Navy, but the principle does not depend upon nationality. Given that single group of vessels, that navy of a single nationality equal in strength to the strongest, and we may be sure that the minor Powers of the League will furnish the additional force to swing the League to the side of justice against the efforts of a navy as powerful as any, whether that Navy be our own or the British Navy.

We want the world League to be secure, to endure, and to establish a new order—the reign of law among nations. This cannot be brought about if some one Power is to dominate the decisions of the League by a world-wide predominance of naval strength. We do not need to argue that whoever dominates the sea exercises more control over world policies than any other Power may do. As the interdependence of nations increases this dominance of sea power over world policies will become more and more complete. It is contrary to human experience to expect small weak nations, whose own immediate interests are not vitally concerned, to place themselves in military opposition to a strong power, even within a league of nations, for the sake of principle, unless by so doing they find themselves ranged with another strong Power. If

they depend upon sea communications to a special extent they will be governed by interest and side with the Power that can crush them the easiest.

As long as Great Britain insists on retaining her overwhelming naval force, the only answer for the purposes of the League is the building of an equal force by some nation capable of constructing and maintaining a fleet of equal strength and efficiency. The United States is the only power that is to-day financially and physically capable of building such a fleet, or of undertaking a future building competition with Great Britain.

It is not believed, however, that any competition in armaments is necessary. Once the principle of two equal naval Powers within the League is made clear to our own people and to the British public, a means will be found to maintain a parity of the two fleets with the minimum of burden to the taxpayer. Equality of the two fleets can be brought about by the destruction of the German fleet, the bulk of which would go to Great Britain on any probable scheme of distribution, and by a further reduction of the British fleet that, while leaving Great Britain ample strength to protect her world commerce and colonies, would still make it possible for the United States with a reasonable increase of its fleet, to equal the size of the British fleet.

It may be asked what would happen if the United States and Great Britain combined against the League. We need not be disturbed by this question. With satisfied ambitions the future interests of the United States demand only the continuation of world peace. Should we forget our ideals and attempt some day to support with arms the cause of injustice, it is highly improbable that our interests would march with those of Great Britain, and there would remain an equal force within the League to bring us to our senses.

The example of the United States in this war, and its present attitude toward nations dependent upon us for financial and economic support, can be relied upon to absolve us in the eyes of the world from the charge of Pharisaism when we assert our confident belief that the

League of Nations will never have anything to fear from the United States.

With two navies of equal strength, the world would breathe free from the fear of a naval domination that has the power at any moment of threatening the economic life of any nation. The resulting mutual respect of Great Britain and the United States would go further than anything else toward the establishment of just maritime law upon the high seas both in peace and in war.

The success of the League of Nations will rest in large part on the honesty, integrity and strength of the United States. The political and economic weakness of Europe as a result of the World War have thrust upon us the burden of imparting vital force to a Covenant that attempts to reconcile the conflicting interests of the world.

Our ability to sustain the League in its formative period and establish it eventually on a secure foundation will depend chiefly on the strength we give it to *resist the domination of any single Power.* We ourselves have no desire to dominate the League, but we believe it to be our duty to the world to make our counsels heard as attentively as the counsels of any other Power.

CONCLUSION.

As one of an unorganized society of nations we need a navy equal to the greatest—

1. To guard our great and greatly growing interests.
2. To give our voice in the councils of the world the weight our world position warrants.
3. To give our ideals full expression and to obtain for them a just recognition in the development of the world organization that is about to be undertaken.

As a member of the League of Nations we need a navy equal to the greatest—

1. So that there may be within the League a power strong enough to restrain any Power whatever seeking unjust advantage by force.
2. So that the League may be relieved from the dominance of any single Power, and thereby ensure to it

a greater stability and a greater probability of just administration.

We believe that a better way in which to obtain two equal navies in the world is for the British Navy to be reduced in strength, and for Great Britain and America to determine jointly from time to time what the strength of the two fleets shall be.

DOCUMENT 24.

Confidential report of Major General F. J. Kernan, chief American representative on the Inter-Allied Commission to Poland, to President Wilson, dated April 11, giving his views of conditions in central Europe (autographed original).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Paris, France
11 April, 1919.

Confidential Memorandum for The American Commission to Negotiate Peace—

Subject: Suspension of Arms between Poles and Ukrainians in Eastern Galicia, and some general observations on conditions in Poland.

On March 20th, last, the Great Powers sent identical telegrams to the Ukrainian and Polish Commanders in Eastern Galicia requesting, in substance, that a suspension of arms should be forthwith effected, following the lines of the former one, dated February 24th, 1919, this to be followed by a formal armistice to be arranged preferably in Paris under the direct supervision of the Peace Commission. A copy of this identical telegram was furnished the undersigned with instructions to see that it reached the hands of each of the Commanding Generals in Eastern Galicia, together with a second explanatory telegram. As directed I delivered these telegrams personally to General Jwaszkiewricz, Polish Commander at Przemysl on March 24th, and on March 25th I met General Pavlenko, the Ukrainian Commander, at Sambor and delivered the same messages to him. These had already

been received directly by wireless and both parties had, so I was informed, accepted the proposition of the Great Powers and the two Commanding Generals were in communication with each other for the purpose of arranging a meeting between delegates. Both parties requested me to be present at this meeting and left me to designate the place. Pursuant to this arrangement five delegates from each side met on the afternoon of March 27th at Chyrow, just within the Polish lines.

I had suggested to each party the advisability of going to the Conference with a prepared draft for the convention and this course was followed. Before the actual meeting of the delegates, each side read to me their propositions. The Polish proposition contained an article providing that the Poles should have the right to denounce the suspension of arms at the end of three days unless, within that period, the Ukrainian authorities had accepted *in toto* the armistice terms drawn up February 28th, 1919, by Dr. Lord, General Berthelemy and General DeWiatt of the Inter-Allied Mission to Poland. This armistice had been rejected by the Ukrainian authorities and it was practically certain that their injection into the new effort to bring about a cessation of hostilities meant the failure of that effort. I told the Polish delegates this, and also pointed out that the procedure they were following did not conform to the request of the Great Powers, as accepted by them; that is to say, instead of attempting to make a simple suspension of arms, leaving the formal armistice for subsequent arrangements, they were tacking the one to the other and so defeating both. They replied that their instructions had come from their government and that they had no power to abate the conditions respecting the armistice as written in their draft. The Ukrainians had drawn up a simple plan for a suspension of arms, each party remaining on the ground occupied, and with the necessary stipulations for securing its execution. When the delegates met and the Polish terms were unfolded, the Ukrainians at once stated that they had come to make a suspension of arms merely, in agreement with their promise to Paris, and not an armis-

tice such as the Poles were proposing. They added that they were willing to abide by whatever armistice terms their delegates agreed to in Paris. Since the Polish delegation was without authority to modify their demands the meeting broke up.

Before leaving the Polish Headquarters at Przemysl the following day I addressed to the Polish Commander a letter outlining what I thought should be the substance and nature of a brief convention establishing a suspension of arms. On arrival in Warsaw I enclosed a copy of this letter to Mr. Paderewski, the Secretary of Foreign Affairs, indicating my views of what the Polish Government should do in order to comply with the clear and earnest desire of the Great Powers. Copies of these letters are attached hereto, marked "A."

While en route to Paris with the other members of the Inter-Allied Commission, I received a message from the Peace Commission directing me to proceed again to the Ukrainian front and to make a further effort to bring about a suspension of arms. I did so and found that the Polish Commanding General was powerless to make a truce except upon the terms already stated above. He told me that the matter was not in his hands, but in the hands of higher authority and that he could do nothing. In this state of affairs, and knowing that the head of the Polish Government was en route to Paris, I left Przemysl and proceeded to this city where I arrived yesterday, April 10th.

The distinct impression I brought away from Eastern Galicia was that the Ukrainians were exceedingly anxious for a truce and that their leaders were intelligent men by no means Bolshevik and sincerely desirous of building up a great Ukrainian Republic. General Pavlenko was quite frank and stated that the Russian Soviet forces were pressing the Ukrainians on the East and that his government was anxious to secure a truce on the Polish side in order to bring as strong a Ukrainian force as possible into action against the Russian Soviets. Besides my own observations I talked with quite a number of disinterested observers who had been travelling through The Ukraine

quite recently and as a result I am convinced that the present Ukrainian Government and the Ukrainians in the mass are by no means Bolshevik. It must, however, be realized that some of that spirit has penetrated at least into the eastern fringe of The Ukraine and that the failure of the present government might result in Soviet ascendency. The Ukrainians are wholly isolated from Europe and they have, I believe, been misrepresented in a large degree to the world, it being the policy of their enemies to denounce them as bandits and Bolsheviks. Reiterated statements of this kind have their effect, however groundless they may be.

I travelled more than two thousand miles in Poland by automobile, from Posen on the West to Slonin on the East, southward through Brest-Litovsk to a point beyond Lemberg and back by way of Cracow to Warsaw. I was approximately two months in Poland and talked with a great many people. From this experience I have drawn the following conclusions:

(A) FOOD AND ECONOMIC CONDITIONS.

Want of the extremest character prevails in the large cities, in the industrial centres, and in the territory lying between Grodno and Brest-Litovsk. There is, I believe, enough food in Poland to tide the population over until the next harvest, assuming the American food supplies to continue flowing into Poland at the present rate. The supply is not evenly distributed but an effort is being made by the Polish authorities in connection with our Food Mission to overcome this difficulty. If raw materials go into Poland and public works are started by the Government so that employment can be given to those not engaged in agriculture, much of the dire distress will be done away with. When the Russians made their great retreat they drove the people out of a vast area of agricultural land which remains practically without population to-day and which for several years has been a solitude outside of the larger towns. No acre of ground has been ploughed, no seed planted, no domestic animals are there, and practically no population. It is a vast area

and it is nearly a desert to-day. Manifestly no crops can be sowed there this year, but the wretched inhabitants are straggling back slowly, many on foot, shoeless, clothed in rags, their whole worldly possessions carried on their backs. The agricultural villages show here and there a sign of life, and undoubtedly more of the former inhabitants will return as the summer goes on. Since they can raise no crops this year, manifestly they must be fed from outside. It is in this region that the greatest desolation and extremest want prevail. This was Russian Poland. In their best days the lives of this agricultural population must have approximated that of the animals which they worked. These squalid villages explain the spread of Bolshevism better than any other thing which has fallen under my observation.

(B) BOLSHEVISM.

Although the common report and the common talk in Poland constantly spoke of Bolshevik aggression against Poland, I could get no evidence to that effect whatever. On the contrary, I am satisfied that the desultory skirmishing along the Eastern frontiers of Poland represents an aggressive effort of the Poles to extend their military occupation as far as possible and as quickly as possible into Russia. The ease with which they have done this proves conclusively that no strong organized Soviet force has been opposing the Poles. My belief is that as an aggressive military crusade, undertaking to spread its propaganda by violence from Russia as a centre, the Bolshevik or Soviet movement has come to a halt. It may be stirred into life again by aggressive action directed against it from without, a danger to be feared from Poland or from other States. This view may seem to be contradicted by recent happenings about Archangel and in the region of Odessa. But it must be remembered that the Soviet government claims sovereignty over those areas and its military operations there can be accounted for on the ground of national defense and wholly apart from any schemes of forcible propaganda. Communistic views are not a new thing. The terrific outburst in

Russia and the more recent happenings in other parts of Central Europe signify an extraordinary condition of the masses brought about by generations of misgovernment and suddenly intensified beyond further endurance by nearly five years of war. In this view, the great cause of the apparent spread of Bolshevism in Europe is to be found in the despairing and wretched condition of its masses. It is not progressing in these days by force of arms but through propaganda falling upon ground prepared by long years of misery and culminating in the hardships of the great war. Therefore, if the normal life of the world can be restored, accompanied by such bettered living conditions as will enable the masses to have not merely enough bread to keep body and soul together but some little share in the ordinary happiness of mankind, Bolshevism will be stopped.

(c) MILITARISM.

In Central Europe the French uniform is everywhere in evidence, officers and men. There is a concerted, distinct effort being made by these agents to foster the military spirit in Poland, Czecho-Slovakia, and, I believe, in Roumania. The imperialistic idea has seized upon the French mind like a kind of madness and the obvious effort is to create a chain of States, highly militarized, organized as far as possible under French guidance, and intended to be future allies of France. I have no doubt whatever of this general plan and it is apparently meeting with great success. Poland is endeavoring to raise an army of approximately 600,000, the Czechs are striving to raise an army of about 250,000, and Roumania is struggling under a very extensive military burden. All of this means that these people have no belief in the efficacy of the League of Nations to protect them and that under the guidance of the French a strong military combination is being built up capable, perhaps, of dominating Europe. This purpose of course is not avowed. The claim is that this chain of strong military states is essential to hold back the tide of Russian Bolshevism. I regard this largely as camouflage. Each of the three States

named has aggressive designs upon the surrounding territory and each is determined to get by force, if need be, as large an area as possible. Nobody is attacking Poland to-day. Quite the contrary; and it seems deplorable that in a country where so much distress prevails and where the energies of the Government and its resources should be devoted to bettering the conditions of its people and to organizing an efficient state administration, this rampant military spirit should have taken possession. It presents to-day more danger to the future of Poland than Bolshevism does. Bolshevism can be eradicated by good Government and equal opportunity for all citizens, but the military disease, once fastened upon the State, is going to be difficult to eradicate. With the arrival of Haller's Army it is to be feared that aggressive military action will be taken against the Russian, the Lithuanian, and the Ukrainian fronts unless the Great Powers can find effective means of checking the outburst of intoxicated nationalism already existent and becoming stronger every day.

I advise strongly against Inter-Allied Missions where information or concrete results are sought. Send Americans alone upon such tasks.

[*Signed*] F. J. KERNAN
Major General, U. S. Army.

(2 Encls.)

PART V

THE DARK PERIOD: THE FRENCH CRISIS

DOCUMENT 25.

Memorandum of Marshal Foch, dated January 10, 1919, presenting the French demand for the military frontier of the Rhine (carbon copy, translation, autographed). Letter of Marshal Foch, March 14, 1919, transmitting this memorandum to President Wilson (original autographed letter).

LE MARÉCHAL FOCH

Le 14 Mars 1919.

MONSIEUR LE PRÉSIDENT,

Avec l'expression de mon regret pour le retard qu'elle met à vous parvenir, j'ai l'honneur de vous addresser ci-joint la Note que j'ai fait établir sur la frontière militaire de l'ALLEMAGNE.

Recevez, Monsieur le Président, l'assurance de ma respectueuse considération.

[*Signed*] F. FOCH.

G. Q. G. A. 10th January, 1919.

C-in-C. Allied Armies.

The following memorandum, laid by the Marshal Commanding-in-Chief of the Allied Armies before the Plenipotentiaries, states, from the point of view of the military security of the Allied and Associated Powers, the problem of the German Western Frontiers.

The question of the frontiers, special to France and Belgium, is not examined, but only the European collective and international guarantees necessary for the whole mass of States, which, after having fought for right, freedom, and justice, intend to prepare, on new bases,

inspired by these three ideas, the relations between Nations.

Memorandum.

Without any doubt, we may rely, in an uncertain future, on a development of civilization and of the moral sense of nations, such that it will be possible to find in a Society or League of Nations, strongly organized, an efficient barrier to wars of conquest. But, in order that this rising society should acquire an authority so strong, that it may be by itself a guarantee of the preservation of peace, it is necessary that this society should receive, at once, a sufficiently secure basis and an especial strength that will ensure its development. Therefore we must know the past situation of nations, so as to settle the future, in starting from the situation of to-day, and also take into account the peace securities, which a costly victory has put in the hands of the Allied Nations, thanks to their perfect coöperation, and which could not be given up, without endangering in the future the preservation of peace.

I.

Germany of 1914 is the result of a steady work 150 years long, begun by Frederick II, methodically continued by his successors, and which had led to the prussification of Germany.

From the very outset the Hohenzollern have based the Prussian power upon an exaggerated militarism, for instance, the keeping up of an army, whose strength was much larger than would be consistent with the total of population. Thanks to this inflated military organization Prussia played an important part in the wars of the eighteenth century, realized important territorial expansion, and took an important part in the wars of 1813, 1814 and 1815. In the same way, she soon secured, among European Powers, a rank very superior to the one which should have been allotted to her on account of her natural means, population, trade, industry.

In fact, the investment of its resources in a strong army,

produced by personal and compulsory service and the practice of war as an industry of national conquests have given to Prussia serious profits. She was going to apply them to a triumph of her policy.

Thus, in 1866, by the victory of Sadowa, she expelled Austria from the German territory, upset the German Confederation, and took control of reorganised Germany, so as to militarise it, according to the Prussian model and under Prussian hands.

Thus, in 1871, in the days which followed a victorious campaign, she created the Empire, in view of making of Germany a stronger unity, more in Prussian hands, always on the same basis of compulsory service, and of Hohenzollern command.

But, at the same time, Prussian activity exercised itself far beyond purely military ground. All classes, all resources of action or production, all associations as well as all individuals were drilled, centralized and militarised. An ingenious State monopoly system, applied by a covetous and despotic monarchy, was always backed by a strong aristocracy and making use of an undenied military superiority and of profitable wars, that is, the supremacy of might. Public education was soon imbued with the same principles, and compulsory schools, a fairly old institution in this country, found, thanks to an acute management, the means of spreading these principles, and of creating a German state of mind, "Kultur," with its own morals. The rule is that might is above right. Might creates right, for its benefit. Lastly Germany more and more believed in a superior nature, in a special fate and mission, which justified the most unjust doings, the most cruel methods, provided that they led to German victory. Morals are summed up in a word: "DEUTSCHLAND ÜBER ALLES." The German ideal and the driving power, which justifies its existence, are to dominate the world for the Germans' benefit.

Besides, the centralised authority of the King of Prussia, who has concentrated in his hands all the forces thus created, so as to apply them, at the time he chooses, to the development of Germany by war, has given by the

"Rights of the Native," a privileged situation to each of his subjects. The Bavarian, the Saxon, the Württemberger, the inhabitant of Baden is above all a German subject. He is protected and claimed by the Empire, interested therefore in the preservation and greatness of the Empire. Once more, on the physical and moral power of Germany the King of Prussia laid his hand and used it as a buttress for his system.

All this explains the irresistible, unanimous and blind rising of 1914, called by William II.

After having, at the highest degree, exaggerated the military organization so as to make of it a war machine ready for conquests, after having strained the morale of his people, and roused, in appealing to his interest, the devotion of the individual to the Prussian Emperor's cause, it is on the whole an army of scientific and convinced hooligans, which prussified Germany has turned out, against all treaties, on the peaceful population, and even on the countries of Europe vowed to neutrality, and lastly, on the seas of the world.

It is against this whole fabric of forces, result of a hundred years' continuous drilling, that the Entente has taken up the struggle, without being prepared, in the name of the principles of Right, and Liberty of Peoples, and soon followed in the fight by a mass of nations, urged by the same principles, the United States in the first rank.

Thanks to the effort of all, and at the price of a victory, which has been costly, especially for the first nations engaged in the fight, the crisis is now at an end, but it may start again.

II.

So as to prevent it from being renewed, it shall not be enough, without any doubt, to change the form of the German Government. Now that the Hohenzollerns have left, under conditions which are of specially disqualifying character for this dynasty, and for all military monarchies, the reinstalment of the Imperial system appears to be improbable at least for some time. But a Republic, built on the same principles of centralised authority and mili-

tarism, taking in hand the whole of Germany, will be as dangerous, and remain as threatening for European peace. It might be perhaps easily realized[1] in a country, imbued with the Prussian spirit, Prussian methods, militarist theories, and where, as much on account of the natural characters as of historical traditions, reveals in a supreme way the principle of authority and of centralisation. Moreover, a German republic, freed from the hindrance due without any doubt to the existing small principalities, has a chance of finding a surplus of forces in her unity thus completely achieved, and also in the vitality and activity, specially on economic grounds, of a country now more in touch with its government.

It is only in so straightening minds, brought back by defeat and free discussion to a more correct conception of right and justice, and by the sharing in a large proportion of the control of executive power, that may be brought about a democratic working of institutions, in appearance republican, which should have otherwise all the strength of a despotic authority. We shall not see the coming out of such an evolution without some time, a long time, without any doubt, as we are decided not to quicken the work of persuasion by using force, not to interfere in the internal working of German affairs. But then, full of respect for German tenure, can we be so over-confident as to endanger our principles of Liberty and Justice, even our existence, by a shifting opinion and by a reactionary force which may take place on the other side of the Rhine, and can immediately throw into a new war regimental staffs and numerous classes of well-drilled soldiers, that is, a very strong Army?

Thus Germany remains, for yet a long time, until the achievement of its political and philosophical change, a dangerous menace. Therefore, the Entente, embryo of a Society of Nations, is absolutely compelled by mere pru-

[1]To create the Empire in 1871, it has only been necessary to include in the Northern Confederation the Southern States and to replace, in the Constitution, the word "BUND" by "REICH" and the word "PRAESIDIUM" by "KAISER." A move in the contrary direction, which should replace in the Imperial Constitution, the word "REICH" by "BUND" and the word "KAISER" by "PRAESIDIUM" would have for result to maintain, under a form only republican in appearance, all the power embodied in the Empire.

dence to take towards Germany systematic measures of a purely defensive character, first emergency precautions. At the same time, these will be plain enough, so as to show that the Allies have well made up their mind to reach the goal, peace, and make it impossible for Germany to start again a war of conquest, to take up once more her plan of armed domination.

In view of this lasting threat, what forces can we call out?

III.

During a great part of the war, which is coming to an end, Russia, with her large armies, has detained a fair number of the German forces. Thus, in 1915, 1916 and even during the greater part of 1917, the Allied powers have been superior in numbers on the Western front.

To-day, the future of Russia is uncertain, probably for many years. Therefore, Western Europe, cradle of and necessary guarantees of the future organisation of nations, can rely only on her own strength for studying, preparing and ensuring her prospects towards Germany, and in case of a possible attack.

To play this part, Western Europe cannot have a superiority of numbers. In fact, whichever type of political organisation should be agreed to in the near future by the people on the other side of the Rhine, there will always remain, on the eastern bank of the river, a German population of 64 to 75 millions of inhabitants[1] naturally bound together by common language, and therefore by common ideas, as by common interest.

To these German forces, Belgium, Luxembourg, Alsace-Lorraine and France can oppose only a total of 49 millions of inhabitants. Only with the coöperation of the countries on the other side of the sea, can they reach the level

[1]

German Empire, 1914		68,000,000
German Provinces of Austria		7,000,000
German Poland	2,100,000	
Alsace-Lorraine	1,900,000	
Rhine-Lands of the Western Bank	5,400,000	
Schleswig-Holstein	1,600,000	
	11,000,000	75,000,000
Balance, 64,000,000		

of the enemy's figures, as they did in 1914–1918, and yet this help must be waited for, and for how long, especially for the United States?

Now then, what has been the cause of the present calamity? Above all the fact that Germany was tempted by the possibility of striking, with one blow, only in stretching the fist, our vital parts. Without this conviction, she certainly would have hesitated. Impressed with that conviction, she did not even look for pretexts. "We can't wait," said BETHMANN-HOLLWEG.

Therefore, to put an end to the encroachments on the West of Germany, which has always been warlike and covetous of others' property, which lately had been prepared and trained for conquering by force, against all right, and with methods the most inconsistent with law, which can start without delay a terrific war—if we want at least to postpone the decisive battle—we must first of all appeal to the help of nature. Nature has provided a barrier on the road to invasion, but only one: the RHINE. The Rhine must be used and defended, and therefore occupied and organised since peace time. Without this fundamental precaution, Western Europe remains deprived of her natural frontier and open, as in the past, to the danger of an invasion, which may be stronger. Without this precaution, the industrial and peaceful countries of N. W. Europe are immediately drowned under the flow of barbarous wars, which no dike checks.

The Rhine, in itself a serious obstacle, renders especially difficult the crossing at a time when the machine guns of the defence compel the assailant to resort to the use of tanks. From Switzerland to Holland, on a front of more than six hundred kilometres, this continuous obstacle covers the allied countries, without possibility of being outflanked.

Further, on account of fortified towns, by which it is reinforced, the means of communication (roads and railways) which converge on it, or run laterally along it, it is a magnificent basis of manœuvre for a counter-offensive.

Mayence, Coblenz, Cologne are only at three days' march from each other. Any attempt by the enemy to

effect a crossing between these towns would be threatened in flank and in the rear, on both banks of the river, as each bridge-head, which we are in possession of, on the Rhine, flanks its neighbors and enables such an offensive to be dealt with in the flank or from behind.

Marshal von Moltke considered the Rhine to be the German military frontier, and concluded certain studies of his by writing: "*The extraordinary strength of our centre of operations on the Rhine cannot be ignored. It could only be compromised, should we undertake a premature offensive on the left bank, with insufficient forces.*" And farther: "*The defensive front of Prussia against France is made up by the Rhine and its fortresses. This line is so strong that it should be far from requiring all the forces of the Monarchy.*" The situation is to-day reversed for the benefit of the coalition. She can't give up the advantage thus secured and abandon the defensive shield in this area—the Rhine—without seriously endangering its future. "Wacht am Rhein" must be its rallying word.

Henceforward, the Rhine ought to be the western military frontier of the German countries. Henceforward Germany ought to be deprived of all entrance and assembling ground, that is, of all territorial sovereignty on the left bank of the river, that is, of all facilities for invading quickly, as in 1914, Belgium, Luxembourg, for reaching the coast of the North Sea and threatening the United Kingdom, for outflanking the natural defences of France, the Rhine, Meuse, conquering the Northern provinces and entering upon the Parisian area.

This is for the time being, in the near future, an *indispensable guarantee of peace*, on account of:

1. The material and moral situation of Germany.
2. Her numerical superiority over the democratic countries of Western Europe.

IV.

The Rhine, military frontier, without which cannot be maintained the peace aimed at by the coalition, is not a territorial benefit for any country. It is not a question, in fact, of annexing the left bank of the Rhine, of increas-

ing France or Belgium's territory, or of the protection against German revindication, but to hold securely on the Rhine, the *common* barrier of security necessary to the League of Democratic Nations. It is not a question of confiding to a single power the guarding of this common barrier, but to ensure by the coöperation, either moral or material, of all the democratic powers, the defence of their existence and of their future, by forbidding Germany once for all from carrying war and its influence of domination across the river.

It must be understood that it will be for the treaty of peace to lay down the status of the populations of the left bank of the Rhine, not included within French or Belgian frontiers.

But this organization, whatever form it may take, must take into account the essential military factor stated above, as follows:

1. The total prevention of German Military access to and political propaganda in the territories on the left bank of the Rhine; perhaps even the covering of these territories by military neutral zones on the right bank.
2. The ensuring of the military occupation of the territories of the left bank of the Rhine by Allied forces.
3. The guaranteeing to the territories on the left bank of the Rhine the outlets necessary for their economic activities, in uniting them with the other Western States by a common system of customs.

Under these conditions, and in conformity with the principles, admitted by all, of the liberty of peoples, it is possible to conceive the constitution on the left bank of the Rhine of new autonomous States, administering themselves under the reservations stated above, a constitution which, with the assistance of a strong natural frontier, the Rhine, will be the only means capable of securing peace to Western Europe.

V.

To sum up, the Powers of the Coalition, France, in spite of her legitimate claims and her ever-present rights, Bel-

gium controlled by neutrality, Great Britain in her insular position, never prepared an offensive against Germany, but in 1914 were brutally assailed by this State. For a certain time, the situation may again arise. If in 1914, 1915, 1916 and 1917, these Powers were able to resist Germany, to give time to Great Britain to develop fully her Armies, notably by her compulsory service and other improvised measures, and to enable the United States to arrive with her decisive support, it was because Russia was fighting on their side, and on this account they were able to maintain during a certain period numerical superiority on the Western front. Russia is no longer of assistance, for a time which it is impossible to foresee. It becomes necessary, therefore, that the Western barrier against German invasion should be more strongly constituted than in the past, and that the Powers of the Entente, which are geographically in the front row of the defenders of civilization, be organized henceforth on a military basis to render possible the timely intervention of the other States which are the defenders of civilization.

The organization defensively of the Coalition is therefore essential.

This defensive organization involves, before all, a natural frontier; the first barrier placed to withstand the German invasion. Only one exists: the Rhine. It must until further orders be held by the forces of the Coalition.

VI.

The object of this decision, which is purely defensive and to be adopted at once, is to withstand an attack by Germany and to answer the first needs created thereby. It is an essential organization, for war, as soon as it breaks, lives only on realities, on material forces brought into play under definite conditions of time: natural lines of defence or defensive organization, numbers, armament. These are the conditions laid down above as necessary. They could be carried out, as has here been seen, under the supervision and patronage of the Nations founding the League of Nations of Right: Belgium, England, United States and France.

Under the protection of these defensive measures, and to provide them with a moral support, the League of Nations, securely established, would be strengthened by those Nations which have come to defend the same principles of Right and Justice, and it would establish definite statutes, henceforward practicable of execution.

The League once thus founded, with its statutes and powers of coercion, could progressively develop into the League of Nations, by the successive adhesion of other Nations; neutral Nations first, enemy nations afterwards. The results aimed at, once achieved, would be of such a nature as to diminish by degrees the military burdens of the nations of which the League will be composed.

That is an ideal to be realized in a future, which is necessarily indefinite.

It will be possible of achievement under the protection of the defensive measures explained above, without which civilization will be placed in danger by a new German attack, which this time it would not be possible to stop in time.

The fortune of war has placed the line of the Rhine in our hands, thanks to a combination of circumstances and a coöperation of Allied Forces, which cannot for a long time be reproduced. The abandonment to-day of this solid natural barrier, without other guarantee than institutions of a moral character and of distant and unknown difficulty, would mean, from the military point of view, the incurring of the greatest of risks.

The Armies, moreover, know how many lives it has cost them.

[*Signed*] F. Foch.

DOCUMENT 26.

Letter from Major General Tasker H. Bliss, March 28, for President Wilson (autographed original), with two memoranda (typewritten, initialed) on the military intrigues in Hungary.

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Hotel de Crillon, Paris,
March 28, 1919.

MY DEAR MR. PRESIDENT:

The plan which was presented yesterday afternoon in Mr. Clemenceau's office to you and your colleagues, was unknown to me thirty minutes before that. I was told that it was made "in execution of the decision taken by the Associated Governments." I therefore could not express my real opinion about it without instructions from you. I think that it brings you face to face with the gravest decision yet called for at the Peace Conference. If carried into execution it means the resumption of general war and the probable dissolution of the Peace Conference. I believe that this is the deliberate intention of those who have proposed it. Various facts and, I think, justifiable inferences from facts, have come to my knowledge which I hesitate to commit to writing. I beg you to take no action either in respect to the plan proposed yesterday or the previous plan of providing supplies for the Roumanian Army, until you can give me a very short time in which to state the case to you.

I have this moment had a conference with Mr. House on the subject and it is on his recommendation that I write this letter.

Very sincerely,
[*Signed*] TASKER H. BLISS.

P. S. I invite attention to the marked paragraphs of my attached memorandum prepared last night. T. H. B.

[Note: this is in General Bliss's own handwriting, and refers to paragraphs 6, 7, and 8 of the first memorandum.]

The President
of the United States.

Hotel de Crillon, Paris,
March 27, 1919.

MEMORANDUM.

1. The armistice with Hungary, signed on November 13th by Gen. Franchet d'Esperey and Count Karolyi, fixed the line of demarcation between the Hungarian and Roumanian troops as the river SZAMOS-BISTRITZ, river MAROS. General Charpy, Chief of Staff of Gen. Franchet d'Esperey, reported on Feb. 25, 1919, that the Hungarians had carried out all the conditions of the armistice but that the Roumanians had not, as, without informing General Franchet d'Esperey, they had crossed the demarcation line and had commenced an advance which on that date had reached the line MARAMAROS SZIGET CSURSA. General Charpy expressed the opinion that the Roumanians should remain on their present line.

2. On February 26, 1919, the Supreme Council approved a recommendation of the Military Representatives for the establishment of a neutral zone about 50 kilometres in width, the Western or Hungarian limit of which is the line VASAROS NAMENY-SZEGED, that is the treaty line of 1916, and the Eastern or Roumanian limit, the line SZATMAR NEMETI-ARAD. The creation of this zone permitted a further advance of the Roumanian forces of about 70 kilometers and imposed a corresponding retirement on the Hungarian forces.

3. The Neutral Zone approved by the Supreme Council is open to the objections:

(a) That the entire zone lies within the limits of territory that is ethnically Hungarian;

(b) That through sanctioning a further and extended

advance of the Roumanian beyond the demarcation line of the armistice, it subjects the Associated Powers to a charge of breach of faith;

(c) That it has been interpreted by the Hungarians as a recognition by the Supreme Council, of the Treaty of 1916.

4. A more equitable neutral zone would have been one whose median line corresponded with the line of ethnic cleavage, that is the line SZATMAR NEMETI-ARAD, or the Eastern limit of the zone established by the Supreme Council. Such a zone would be made up of about equal parts of Hungarian and Roumanian ethnic territory, and would not raise the question of the Treaty of 1916.

5. On March 22, 1919, General Franchet d'Esperey telegraphed that when on March 19th he notified the Hungarian Government of the decision of the Supreme Council, that Government resigned, declaring itself unable either to receive the decision or to prescribe measures for its execution. The Karolyi Government has been replaced by a government of Bolshevik tendencies which is reported to be seeking an alliance with the Bolshevik Government in Russia.

6. The question now confronting the United States is one of fundamental far-reaching importance. If we join the other Associated Powers in attempting the coercion by armed force of Hungary aided by Russia, we shall be committing ourselves to a war of enormous magnitude, and of indefinite duration; one which will have to be financed entirely by us; and one in which, because of the war-weariness of the peoples of our allies, we may find ourselves standing alone.

7. The present conditions in Hungary are the direct result of the action of the Supreme Council on February 26, 1919. That act, therefore, was politically unwise. It cannot be justified morally before the people of the United States.

8. It is believed that the United States should decline categorically to participate in armed intervention in this theatre through the contribution of men or money or supplies. It is believed also that if the United States is to

continue to act with the Associated Powers in the determination of territorial and economic questions relating to the former Austrian-Hungarian Empire, it insist upon the immediate reversal of the action of the Supreme Council of February 26, 1919; upon the issuance of orders to the Commanding General of the Army of the Orient and all other representatives of the Associated Powers in the countries bordering on Hungary, that no action will be taken by them with respect to the Hungarian people or territory that is not clearly within the scope of the terms of the armistice concluded with Hungary; and that meanwhile every effort be made by the Supreme Council to reopen communication with the Hungarian people and to assure them that it is the purpose of the Associated Powers to conclude a peace with Hungary on a basis of the declarations of President Wilson contained in his address of January 8, 1918, and subsequent addresses.

[*Initialed*] T. H. B.

MEMORANDUM.

SHOWING THE SEQUENCE OF EVENTS CONNECTED WITH THE ESTABLISHMENT OF THE NEUTRAL ZONE IN HUNGARY, AND OF EVENTS SUBSEQUENT TO THE ESTABLISHMENT OF THAT ZONE.

NOTE: From February 13th until sometime after the President's return from Washington, I was entirely occupied with work on the Committee drafting the final military, naval and air peace terms with Germany, and became acquainted with the following sequence of events only in connection with the preparation of my memorandum to Mr. Lansing dated March 8th, 1919.

1. On the signature of the Armistice between the Hungarians and the French Army of the East, General Franchet d'Esperey fixed a fair armistice line beyond which neither the Roumanians nor the Hungarians were to advance. Continued violation of this agreement on the part of the Hungarians resulted in serious trouble.

2. February 19. On this date the Committee on Rou-

manian affairs had under consideration a proposed Neutral Zone in Hungary to avoid further conflict between the Hungarians and the Roumanians. General Alby, representing the French War Ministry, read a Note to the Committee in which he said, *inter-alia*, that "General Berthelot's Army must be kept ready for disposal and eventual employment in South Russia." This matter was brought before the Committee on Roumanian affairs by the French Foreign Office, as a matter of urgency.

I understand that the French F. O. submitted the boundaries of the proposed Neutral Zone.

NOTE: The underscored lines refer to some unknown plan of operations against Russia.

3. February 25. Marshal Foch outlined to the Council of Ten a plan which he had prepared for forming, immediately after signature of peace with Germany, an army of Greeks, Serbs, Roumanians, Poles, Czecho-Slovaks, Esthonians, etc., under French direction, to fight Bolshevism. Mr. Balfour's remarks on this subject, in the minutes of that session, are interesting.

NOTE: The vaguely expressed plan of Marshal Foch indicates the motive for the dispatch of three Greek divisions to Odessa.

4. The final recommendation of the Committee on Roumanian affairs was submitted to the Council of Ten and by it referred to the Military Representatives on the Supreme War Council at Versailles.

5. February 25. The Military Representatives concurred in a recommendation as to the Neutral Zone. The officer of the American Section who was present made the reservation that this was not in any way to commit the United States to military action, as we were not represented in Southeast Europe.

6. February 26. The Council of Ten approved the Neutral Zone.

7. March 8. Mr. C. M. Storey, who had just previously returned from Hungary, sent me a memorandum, through Mr. Lansing, who asked for any comments I might desire to make, on the subject of the proposed Neutral Zone. I returned it to Mr. Lansing on March 8th

with my comments. It is the study which I then made that acquainted me with the facts set forth above.

8. In the sessions of the Council of Ten, where was discussed the transportation of the Polish divisions to Dantzig, Marshal Foch brought up in various ways, his intention to unite these with the Roumanians in order to fight the Ukrainians at Lemberg. On March 17th, he urged that he be authorized to study the question of the transportation of these divisions or a part of them by rail via Vienna. The council, as I remember it, refused to give him this authorization.

9. March 19th. On this day, two days after disapproval of the idea of transporting the Polish divisions by rail, the official note establishing the Neutral Zone was delivered to Karolyi's Government in Budapest and that government fell and was succeeded by a so-called Bolshevik Government. What is the connection between these two dates?

10. March 25th. On this day the Council of Four had before them the telegrams from General Berthelot relating to the situation in Odessa. Sending for Marshal Foch, they learned from him that he did not consider it worth while to hold Odessa, but that the forces of Roumania and Poland should be strengthened. This led to the question of participation by the Four Governments in the equipment and maintenance of the Roumanian Army.

11. March 27. Marshal Foch presented his plan to the Council of Four for the organization of an army of French, British, Americans, Greeks, Serbs and Roumanians, to extend from Odessa on the Black Sea around Hungary, and to occupy Vienna. This army is to extinguish Bolshevism in Hungary and unite to close the "Lemberg Gap."

Thus, after many variations and deviations, we come to the original plan of the great army to be formed to fight Bolshevism.

12. There is reason to believe that General Franchet d'Esperey and his officers on the spot do not favor the

plan of military intervention. His chief-of-staff, on February 25th, opposed the proposed Neutral Zone. It is said that General Franchet d'Esperey made a report opposing intervention.

On the other hand, General Berthelot has been in Roumania as the immediate agent of the French Ministry of War. He has favored the Roumanians, and the French Government appears to be guided by his advice.

13. There appears to be no doubt from what Mr. Norman Davis has told me, that some days prior to March 25th (when the evacuation of Odessa and provision for the maintenance of the Roumanian Army were discussed by the Council of Four), the British and French Governments agreed with the Roumanian Government to provide for the entire maintenance of the latter's army.

From Colonel Browning's reports to me of the proceedings of Marshal Foch's Committee, there seems no doubt that the European Allies expect that the United States will not merely provide certain food, clothing, etc. for the Roumanian Army, but will also share in all of the other expenses of its maintenance. There is no law under which this can be done.

14. Another grave fact to notice is that the negotiations by the French with the Germans for authority to move the Polish divisions through the port of Dantzig will in all probability, in view of the manner in which the matter has been presented heretofore to the German Government, result in the refusal of the Germans to permit it.

It looks as though, either through the action taken in Hungary or the proposed action in respect to the port of Dantzig, or through both of those means, it was determined to break off the general armistice, both with Germany and with the Austro-Hungarian States. The United States is being dragged into a resumption of the war through the fact that all negotiations or dealings with the enemy are in the hands of the French. They can do nothing except with the hope that the United States will

see them through. Nothing but the most complete understanding with them as to the general attitude of the United States will alter the present tendency of events. I believe that the issue must be met within a very few days.

[*Initialed*] T. H. B.

Hotel Crillon,
March 28, 1919.

DOCUMENT 27.

Letter of King of Spain to President Wilson, March 25 (written by hand in English and autographed), with copy of letter of Ex-Emperor Karl of Austria-Hungary (typewritten in German and translated by Dr. J. V. Fuller).

25. III. 1919.

MY DEAR PRESIDENT:

I have just received a letter of my Cousin Charles, the late Emperor of Austria, giving the uttermost importance to its text. I enclose you a full copy, hoping that you will do all you can to stop the advance of Bolshevist ideas, as it is for the sake of us all.

Excuse the step I am taking, & believe me

Your very sincere & loyal friend,

ALPHONSO R. H.

Ex-Emperor Karl to the King of Spain

(Transmitted to Wilson by the latter with covering letter dated March 25th.)

DEAR COUSIN:

You once urged me that whenever I had anything on my heart, I should communicate confidentially with you through your courier.

I should now like to beg a great friendly favor of you. I will describe the situation here, in the Monarchy, to you loyally and without reserve. Would it not be possible for you to instruct along these lines the Entente which alone can save us from Bolshevism and utter collapse through division into a number of dis-united independent States?

After the armistice, I disbanded my brave army. The solid, respectable portions of it returned to their occupations. That portion which we may properly term the rabble, which had nothing to lose and had mostly crowded to the rear, formed the new armies of the national states.

You cannot possibly consider these to-day any real bulwarks against Bolshevism. Every government among these national states is busily engaged in throwing sand into the eyes of the Entente to convince it that complete order reigns in their countries and Bolshevism has no chance there. Believe me, I hold myself above the nations and have, naturally, nothing to do with their squabbles; and I can see that all these new states will sooner or later come to first-class Bolshevism, and this fire be spread into the Allied states, unless the Entente intervenes with powerful military forces. The Governments are utterly powerless and allow themselves to be swayed by the radicals.

The means of preventing Bolshevism and long continuing wars are:

1. As I have already remarked, that the Entente send troops;

2. That food be brought in the greatest possible quantities.

3. That the present national states, with reservation of their complete independence even in regard to form of government (republic or monarchy), be brought together under the dynasty into a confederation with only certain common departments—foreign affairs, army, commerce and customs.

If this is not done, Austria will become a second Balkan peninsula. A president of the confederation from any one of the nationalities would always be a thorn in the side of the others. Only the Dynasty, standing above the nations, can assume this position.

Do not believe that I have proposed the third point for selfish reasons; but I regard any other solution as disastrous for the peoples entrusted to me by God. Another consideration is that Bolshevism has by this time spread widely in Germany, where an operation is already hardly

possible, while in our part of the world it is just raising its head and can be stifled by quick action.

I could give you many examples showing that my fears are justified, but here are a few small ones. In Baden, which you know, a Soldiers' Council collects its own taxes while the Government looks calmly on. In Hungary, many of the great estates which constitute the wealth of the country have been socialized, which means confiscated by the state and put under the administration of some Socialist or other. The lord receives no income from his estate, but must bear all the expenses of its operation. In Bohemia there is a Bolshevik by the name of Muna who predicts a universal overturn on the first of May.

Wages are extravagantly high. In Budapest, one must pay a common private coachman 300 crowns a week; the street-cleaner receives 150 crowns a day; while university professors are obliged to carry sacks in their free time in order to make a living. The Hungarian government has just expended, in time of peace, 3 milliards of crowns in a month and a half; whereas a threefold greater Hungary spent only 400 millions a month in time of war. The bank-note press is as overworked as in Russia. What will all this lead to? And it is almost as bad in all the other states as in Hungary! We must have financial help!

Excuse this long letter, but I could not help unburdening my heart for once to a loyal relation.

Many sincere good wishes from

Your devoted cousin,

KARL.

Eckartsau, March 17, 1919.

Document 28.

Letter of M. Clemenceau to President Wilson, March 31 (autographed original), together with his note of reply to Lloyd George's memorandum of March 26 (carbon copy, translation).

RÉPUBLIQUE FRANÇAISE

Le Président du Conseil
Ministre de la Guerre

Paris, le 31 Mars, 1919.

MONSIEUR LE PRÉSIDENT,

Vous trouverez sous ce pli une note en réponse à la note de M. Lloyd George du 26 Mars 1919.

Veuillez agréer, Monsieur le Président, l'assurance de ma haute considération.

[*Signed*] G. CLEMENCEAU.

MONSIEUR LE PRESIDENT WILSON,
Président des États-Unis d'Amérique.

28th of March, 1919.

GENERAL OBSERVATIONS ON MR. LLOYD GEORGE'S NOTE OF MARCH 26TH.

1. The French Government is in complete accord with the general purpose of Mr. Lloyd George's note: that is to say, to make a durable and consequently a just peace.

It does not believe, on the other hand, that the principle which it shares, really leads to the conclusions drawn by the note in question.

2. The note suggests that moderate territorial conditions should be imposed upon Germany in Europe in order not to leave a profound feeling of resentment after peace.

This method might have value, if the late war had been

for Germany a European war. This, however, was not the case. Before the war Germany was a great naval power whose future lay upon the water. This world power was Germany's pride; she will not console herself for having lost it.

But, without being deterred by the fear of such resentment, all of her colonies, her entire navy, a great part of her commercial fleet (as a form of reparation), and her foreign markets over which she held sway, have been taken from her, or will be taken from her. Thus the blow which she will feel the most is dealt her, and people think that she can be appeased by a certain amelioration of territorial conditions. This is a pure illusion and the remedy is not proportionate to the evil.

If a means of satisfying Germany is sought, it should not be sought in Germany. This kind of conciliation will be idle, in case Germany is severed from her world policy. If it is necessary to appease her she should be offered colonial satisfaction, naval satisfaction or satisfaction with regard to her commercial expansion. The note of the 26th of March, however, only takes into account European territorial satisfaction.

3. The note of Mr. Lloyd George fears that too severe territorial conditions will be playing the game of Bolshevism in Germany. Is it not to be feared that the method suggested will have precisely this result?

The conference has decided to call to life a certain number of new states. Can the Conference, without committing an injustice, sacrifice them, out of consideration for Germany, by imposing upon them inacceptable frontiers?

If these peoples, especially Poland and Bohemia, have been able to resist Bolshevism up to now, it is because of a sense of nationality. If violence is done to this sentiment, Bolshevism will find these two peoples an easy prey, and the only barrier which at the present moment exists between Russian Bolshevism and German Bolshevism will be shattered.

The result will be either a confederation of Eastern and Central Europe under the domination of a Bolshevist Germany, or the enslavement of the same countries by a

reactionary Germany, thanks to the general anarchy. In both cases, the Allies will have lost the war. On the contrary, the policy of the French Government is resolutely to aid these young peoples with the support of the liberal elements in Europe, and not to seek at their expense, ineffectual attenuations of the colonial, naval and commercial disaster inflicted upon Germany by the Peace. If one is obliged, in giving to these young peoples frontiers without which they cannot live, to transfer to their sovereignty the sons of the very Germans who have enslaved them, it is to be regretted and it must be done with moderation, but it cannot be avoided.

Moreover, while one deprives Germany totally and definitely of her colonies, because she maltreated the indigenous population, by what right can one refuse to give Poland and Bohemia normal frontiers because the Germans have installed themselves upon Polish and Bohemian soil as guarantors of oppressive pan-Germanism?

4. Mr. Lloyd George's note insists—and the French Government is in agreement—upon the necessity of making a peace which shall seem to Germany to be a just peace. But in view of German mentality, it is not sure that justice is conceived by the Germans as it is conceived by the Allies.

Furthermore, it should not be forgotten that this impression of justice must be obvious not only to the enemy, but also and principally to the Allies. The Allies who have fought side by side must terminate the war with an equitable peace. But what would be the results of following the method suggested by the note of March 26th? A certain number of total and definitive guarantees will be acquired by maritime nations which have not known an invasion. The surrender of the German colonies would be total and definitive. The surrender of the German navy would be total and definitive. The surrender of a large portion of the German merchant fleet would be total and definite. The exclusion of Germany from foreign markets would be total and would last for some time. On the other hand,

partial and temporary solutions would be reserved for the continental countries, that is to say those which have suffered most from the war. The reduced frontiers suggested for Poland and Bohemia would be partial solutions. The defensive agreement offered to France for the protection of her territory would be a temporary solution. The proposed régime for the coal fields of the Sarre would be temporary. Here we have a condition of inequality which might risk leaving a bad impression upon the after-war relations between the Allies, more important than the after-war relations between Germany and the Allies.

In Paragraph 1 it has been demonstrated that it is vain to hope by territorial concessions to find sufficient compensation for Germany for the world disaster which she has undergone. It may be permitted to add that it would be an injustice to impose the burden of these compensations upon those of the Allies who have felt the weight of the war most heavily.

These countries, after the expenses of war, cannot incur the expenses of peace. It is essential that they also should have the sensation of a just and equitable peace. In default of this, it is not alone in Central Europe that Bolshevism is to be feared, for no field can be more favourable to its propagation, it has been well noted, than the field of national disappointment.

5. For the moment, the French Government desires to limit itself to observations of a general nature.

It renders full credit to the intentions which have inspired Mr. Lloyd George's memorandum. But it believes that the deductions made in the present note are in harmony with justice and with general interest of all.

The French Government will be inspired by these considerations in the forthcoming meetings when the terms suggested by the British Prime Minister are discussed.

Document 29.

Bernard M. Baruch's letter to President Wilson of April 9, arguing against French ownership of the coal mines of the Saar (typewritten copy).

Hotel de Crillon, Paris,
April 9, 1919.

My dear Mr. President:—

The proposed arrangement by which the French would own the coal mines in the Sarre Valley, while the territory itself would remain German, would, in my opinion, be a constant source of turmoil and unending friction. A solution is possible through making a distribution of the product of the Sarre Valley as one item in the general allocation of coal from Germany to France, as a part of the reparation adjustment.

So long as the Sarre mines exist, the French are entitled to the delivery of that quantity of coal from the Sarre Basin that has been used in Alsace-Lorraine, and as much more as they desire to use, which can be produced from the Sarre mines without interference with the present German industrial and civil life, which is now dependent upon this. The French are now asking for twenty-seven millions additional tons of coal in substitution for that which was produced from the Lens and Pas de Calais fields, and are quite willing to accept that solution. There seems to be no reason why the same thing should not be done in the case of the Sarre Valley. The following is my recommendation.

1. Germany should be required to deliver to France seven million tons a year, the amount which France imported annually before the war.

2. Germany should be required to supply to France an amount of coal sufficient to make up the deficit in the

normal production of the Lens and Pas de Calais fields during the period of their restoration. The complete restoration of the mines should require not to exceed five years.

3. During the life of the Sarre mines Germany should be required to sell the same amount of coal she has heretofore sold to territories that have now become French, France having the option to receive a percentage of the increased production of the Sarre, which its present demands bear to the total production.

It is well to note that the German metallurgical industries in the Sarre Valley, as well as many of the gas works of Southern Germany, are dependent upon the coal of the Valley of the Sarre. Therefore, the ownership of these mines by the French could be used to handicap these industries and greatly disturb the economic life. It should also be noted that the steel mills in the Sarre Valley and adjacent German territory are dependent upon the iron ores from Lorraine, which is now French territory. This furnishes the French with a powerful weapon for trading.

The Germans might, with equal justice, demand an ownership in the iron mines of Lorraine for the protection of their industries which have heretofore been supplied from this source and from which a large amount must come for reparational purposes.

A solution of the Sarre Valley-Lorraine problem would be a reciprocal arrangement, whereby Germany would be required to furnish the same percentage of the coal output that has heretofore been used in Lorraine, and the French, in turn, be required to furnish to Germany the same percentage of the iron ore output that had previously been distributed to the territory that still remains in Germany.

Very sincerely yours,

BERNARD M. BARUCH.

THE PRESIDENT OF THE UNITED STATES,
11 Place des États-Unis,
Paris.

DOCUMENT 30.

Letter of P. B. Noyes, American Delegate, Inter-Allied Rhineland Commission to President Wilson, sharply criticizing the proposed arrangements for the "Left Bank."

Appendix IV to C. F. 41.

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Paris, May 27, 1919.

HONORABLE WOODROW WILSON,
President of the United States of America,
11, Place des États-Unis, Paris.

DEAR SIR:

After a month spent in the Rhineland as American Commissioner I feel there is a danger that a disastrous mistake will be made. The "Convention" for the government of those territories, as drafted by the military representatives of the Supreme War Council on May eleventh, is more brutal, I believe, than even its authors desire upon second thought. It provides for unendurable oppression of six million people during a period of years.

This "Convention" is not likely to be adopted without great modification. What alarms me, however, is that none of the revisions of this document which I have seen recognize that its basic principle is bad—that the quartering of an enemy army in a country as its master in time of peace and the billeting of troops on the civil population will insure hatred and ultimate disaster.

I have discussed this matter at length with the American Commanders of the Army of Occupation; men who have seen "military occupation" at close range for six months. These Officers emphatically indorse the above statements. They say that an occupying army, even one

with the best of intentions, is guilty of outrages and that mutual irritation, in spite of every effort to the contrary, grows apace. Force and more force must inevitably be the history of such occupation long continued.

Forgetting the apparent ambitions of the French and possibly overlooking political limitations, I have sketched below a plan which seems to me the maximum for military domination in the Rhineland after the signing of peace. Our Army Commanders and others who have studied the subject on the ground agree with this programme:

SKELETON PLAN.

I. As few troops as possible concentrated in barracks or reserve areas with no "billeting," excepting possibly for officers.

II. Complete self-government for the territory with the exceptions below.

III. A Civil Commission with powers:—

(a) To make regulations or change old ones whenever German law or actions—

(1) Threaten the carrying out of Treaty terms, or—

(2) Threaten the comfort or security of troops.

(b) To authorize the army to take control under martial law, either in danger spots or throughout the territory whenever conditions seem to them to make this necessary.

Very truly yours,

[*Signed*] P. B. NOYES.

American Delegate,

Inter-Allied Rhineland Commission.

PART VI

THE ITALIAN CRISIS

DOCUMENT 31.

Basic Recommendation of American Experts, January 21, 1919, regarding Italian boundary settlements.

OUTLINE OF TENTATIVE REPORT AND RECOMMENDATIONS.

Prepared by the Intelligence Section, in accordance with instructions, for the President and the Plenipotentiaries January 21, 1919.

ITALY.

It is recommended:

1. That Italy be given a northern frontier midway between the linguistic line and the line of the treaty of London, 1915. The proposed line is delimited on maps 12 to 15 inclusive.

2. That Italy's eastern frontier be rectified as shown on map 15.

3. That consideration be given the doubtful claim of Italy to a sphere of influence at Avlona.

4. That Rhodes and the Dodecanese be assigned to Greece.

5. That Libya be given a hinterland adequate for access to the Sudan and its trade, but so limited as not to hamper the French colonial domain or the Anglo-Egyptian Sudan.

DISCUSSION.

1. It is recommended that Italy be given a northern frontier midway between the linguistic line and the line of the treaty of London, 1915. The proposed line is delimited on maps 12 to 15 inclusive.

This recommendation would give Italy all that part of the Tyrol to which she has any just claim on linguistic, cultural, or historical grounds. It would leave no rational

basis for future irredentist agitation in this direction. It transfers to Italy over 10,000 square kilometers of territory and a population consisting of 373,000 Italians and Ladins, 161,000 Germans, and 3,000 others.

The recommended line does not meet those claims of Italy which are based on strategic grounds alone, for the line of 1915, following as it does the main watershed, gives incomparably the best strategic frontier. On the other hand, the proposed line does ameliorate the intentionally bad frontier imposed upon Italy by Austria, and some such amelioration seems essential if the Italians are to enter a League of Nations with confidence in its ability to render their peaceful existence reasonably sure. The weight of this argument would be augmented if Italy were confronted by a united and potentially powerful German state on the north. The task of the League of Nations will be rendered easier and its success made more certain by the adjustment of Italy's northern frontier at least in part along lines which would discourage armed aggression by a powerful German state.

As laid down upon the map the proposed boundary is a good line from the geographical standpoint, since it follows natural lines of demarcation and coincides with the marked topographical barrier between regions climatically dissimilar. Its position is easily recognizable on the ground, it is capable of clear and accurate delimitation, and is not subject to change from natural causes. Since throughout its entire length it traverses regions of little or no population it does not interfere with the activities of the local population, and the small number of practicable passes make the administration of customs and other frontier regulations simple.

Finally, it is so drawn as to throw into Austria about 71,000 Germans, with a minority of 10,000 Italians and Ladins, forming properly a part of the Austrian realm. Were the line of 1915 to be followed (red line on map 13), it would simply throw the irredentist problem into Austrian territory and would not lead to a lasting peace.

2. It is recommended that Italy's eastern frontier be rectified as shown on map 15.

The Jugo-Slav boundary in the Istria-Isonzo region is the subject of hot dispute because both the Jugo-Slavs and the Italians are eager for the possession of the eastern Adriatic littoral and its ports. The commercial and strategic advantages accruing to the possessor are obvious.

The proposed boundary coincides in general with the main watershed of the Carnic and Julian Alps, and follows the crest of the high ridge forming the backbone of the Istrian peninsula. It gives to Italy all of that portion of the Isonzo basin and of the eastern Adriatic coast to which she has any valid claim, together with as much of the hinterland, peopled by Slavs, as is vitally needed on economic grounds. It gives to the Jugo-Slavs part of the Istrian coast and all of the Dalmatian coast and archipelago claimed by Italy, with a fine series of harbors from Fiume southward.

The proposed division would add 6,680 square kilometers to Italy and a population of 715,000, consisting of 345,000 Italians and 370,000 Jugo-Slavs. In Jugo-Slav territory there would be left 75,000 Italians, a very small number as compared with the number of Jugo-Slavs in Italy. The Jugo-Slavs would be left in undisturbed possession of a stretch of coast upon which their hopes have centered for years, and where the Italian claim to majorities is unsubstantiated, except in the case of several of the coast towns, such as Fiume and Zara—there is a small Italian majority* in Fiume proper, but a small Croat majority if the suburb of Susak, in fact a part of Fiume, be added.

The retention of Fiume by Jugo-Slavia is vital to the interests of the latter, and likewise assures to the more remote hinterland, including Austria and Hungary, the advantages of two competing ports under the control of different nations.

Italy is accorded on the east as much natural protection as can be permitted without giving undue weight to strategic considerations. As defined the line affords reasonable protection for Trieste and Pola and their

*Relative majority.

connecting railway, and in fact would leave the Jugo-Slavs in a position of military inferiority if they did not have a protective mountainous terrain and one of the best coasts in the world for defensive naval operations. For almost its entire length the boundary follows watersheds on high and sparsely settled plateaus. It is not without at least remote historical basis, since it follows the frontier between Italy and the Provinces as it existed for several centuries during the Roman period.

3. It is recommended that consideration be given to the doubtful claim of Italy to a sphere of influence at Avlona.

Probably Italy must be left in Avlona and its immediately adjacent territory, not, however, as the final possessor of the region, but as a mandatory of the League of Nations. In this manner any alleged propagandist movements may be reviewed and restrictions imposed in harmony with the spirit of the time in which they arise. Otherwise there will be left in both the northern and southern ends of Jugo-Slavia regions of conflict between two neighbouring peoples, the Jugo-Slavs and the Italians, from which there could result only continued discord and possible war.

4. It is recommended that Rhodes and the Dodecanese be assigned to Greece.

Over 80 per cent. of the population of Rhodes and the Dodecanese are Greek Orthodox. They are bitterly opposed to the present Italian occupation, and should be assigned to the mother country.

5. It is recommended that Libya be given a hinterland adequate for access to the Sudan and its trade, but so limited as not to hamper the French colonial domain or the Anglo-Egyptian Sudan.

The need for such a hinterland is evident, and with the limitations mentioned it is fair to satisfy this need. The proposed action would no doubt be agreeable to France and Great Britain.

DOCUMENT 32.

Memorandum, March 18, of four American experts, regarding Italian claims to Dalmatia and Fiume, reaffirming their recommendation that "Fiume and all Dalmatia shall go to the Jugo-Slavs" (carbon copy).

18 March 1919.

MEMORANDUM.

From: Chiefs of the Austro-Hungarian Division, the Balkan Division, the Italian Division and the Division of Boundary Geography, Section of Territorial, Political and Economic Intelligence.
To: The Commissioners.
Re: Dalmatia and Fiume.

The Italians, in their memorandum presented to the Council of Ten on 11 March 1919, demand:

1—That part of Dalmatia granted to them by the Treaty of London, and, in addition,

2—Dalmatia as far south as Spalato,

3—Fiume and the adjacent district.

Every memorandum hitherto submitted to the Commissioners, about which any of the heads of the above-named divisions have been consulted, recommends that Fiume and all of Dalmatia should go to the Jugo-Slavs. We are still unanimously of that opinion for the reasons here set forth.

I. DALMATIA.

. The population of that portion of Dalmatia de-nded by Italy was divided linguistically in 1910, as ows: 406,100 Jugo-Slavs, 16,280 Italians. The town Zara had an Italian majority. Elsewhere there was ommune in all Dalmatia with an Italian minority as as ten percent and only five with minorities of more

than five percent. The Austrian statistics may do some injustice to the Italians, but there is no doubt that the Italians are linguistically in a negligible minority. Though in Alsace-Lorraine language may not be a good index of nationality, it is in Dalmatia. There can be little doubt that the national sympathies of an overwhelming majority of the population are Jugo-Slav. The Jugo-Slavs, moreover, have been settled in Dalmatia for over twelve centuries, and for several centuries they have occupied the largest part of the province. They are not a recent importation of the Austrian government, as the Italian memorandum implies.

2. Italy has no "historic right" to Dalmatia. Trent and Trieste with their adjacent lands were integral parts of Italy in Roman days, but Dalmatia was not. Dalmatia was merely a Roman province, as were also France and England. In the middle ages, Venice began to establish dominion over the cities of the coast, but her control never extended far inland, except during the last century of her rule.

3. Dalmatia is not now important as a commercial outlet for the interior east of the mountainous coast. It was the Austrian policy to prevent the construction of railways across the mountains. But there are routes by which it is practicable to build railroads connecting the interior with excellent harbors on the coast. The Slavs of the interior would have every incentive to build railways if they controlled the ports; the Italians whose interests in Dalmatia are primarily strategic would be less likely to make the sacrifices necessary for the economic development of the Slav hinterland.

4. Italy claims Dalmatia in order to avoid remaining in a state of permanent strategic inferiority. It should be noted, however, that Italian naval experts (see special memorandum submitted to Colonel House by Major Douglas Johnson) generally agree with the opinion of the U. S. Naval Advisory Staff as expressed in its memorandum on "Problems of Naval Strategy," that secure possession of Valona, Pola and a base in an island group near the central Adriatic, would give to Italy effective control of that sea.

II FIUME.

1. In Fiume and the adjacent district the majority is also Jugo-Slav. The Italian memorandum does not delimit the district exactly, but, assuming the smallest proportions admitted by the description, it contained in 1910 a population of 87,248 of whom 24,870 were Italians and 48,886 Jugo-Slavs. The whole surrounding hinterland was solidly Jugo-Slav.

2. For economic reasons it is essential, if Trieste goes to Italy, that Fiume should go to Jugo-Slavia.

(a) No other port could be developed except at great cost, and no other port could handle the commerce of the Jugo-Slav State as advantageously as Fiume. Of the Croatian coast Cholnoky, the Hungarian geographer rightly says: "No bays suitable for modern shipping are open." Dalmatian ports could not be utilized until connecting railways had been built, and they could never supply to advantage the commercial needs of the northern part of the Jugo-Slav State.

(b) Fiume is in no way an economic necessity to Italy. The port's commercial hinterland is on the eastern side of the Adriatic. Fiume in Italian hands would probably have its development sacrificed to that of Trieste.

(c) The commercial interests of Central Europe should be a primary consideration in determining the disposition of Fiume. These interests would be safeguarded better by the competition that would result from the assignment of Trieste to Italy and Fiume to the Jugo-Slavs than in any other way.

We are unanimously of the opinion that neither Fiume nor any part of Dalmatia (with the possible exception of Lissa and its neighboring islets) should be assigned to Italy.

CHARLES SEYMOUR
Chief of the Austro-Hungarian Division.
CLIVE DAY
Chief of the Balkan Division.
W. E. LUNT
Chief of the Italian Division.
DOUGLAS W. JOHNSON
Chief of the Division of Boundary-Geography.

DOCUMENT 33.

Memorandum, April 4, of five American experts to President Wilson, regarding disposition of Fiume advising that "it is unwise to make Fiume a free city," with memorandum on the legal aspects of the situation by David Hunter Miller (autographed originals).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

April 4, 1919.

From: Chiefs of the Italian Division, the Balkan Division, the Austro-Hungarian Division, the Division of Boundary Geography, and the Division of Economics.

To: President Wilson.

Subject: Disposition of Fiume.

The following statement of facts and opinions is respectfully submitted for the President's consideration:

1. The port of Fiume is vitally necessary to the economic life of Jugo-Slavia.
2. It has no economic significance for Italy, except as its development would prevent Italy from controlling trade which might otherwise be artificially deflected to Trieste.
3. The large business interests of Fiume, the banking houses, and the shipping are mainly in Hungarian and Jugo-Slav hands. Italian capital did not develop the port. The Italians constitute the small traders and shop keepers and to some extent the professional classes.

4. According to the last official census the Italians constituted only a plurality of the population of Fiume, even when its artificial separation from the Slavic Susak is maintained.
5. The Italian plurality in the restricted Fiume:
   (a) If of recent development (Since 1880 or 1890).
   (b) Includes an unknown but considerable number who have not given up Italian citizenship.
   (c) Has probably resulted from artificial encouragement by the Hungarian government, which had a comprehensible interest in developing an alien rather than a Slav majority in the city.
6. The Italian agitation in favor of annexing Fiume is only a few months old. Last summer it was generally admitted in high Italian circles that Fiume would and should go to Jugo-Slavia.

In view of the foregoing consideration the American specialists are unanimously of the opinion:

1. *That Fiume should be given to the Jugo-Slav State without restriction.*

This solution is the only one which in our opinion will prove attractive at the same time to Jugo-Slav capital and to outside capital (Hungarian, Czecho-Slovak, etc.); it will best serve the vital economic interests of both city and state; and in view of the facts regarding the nature and origin of the Italian population, it seems to us the most just morally.

2. *That the interests of the Italian minority of greater Fiume should be assured by the establishment of adequate guarantees for protection.*

Similar guarantees should be extended, in a spirit of equality and justice, to the other Italian minorities in Jugo-Slavia, and to the much larger Slavic minorities in Trieste and other areas transferred to Italy by the recommended new frontier.

3. *That it is unwise to make of Fiume a free city.*

Our unanimity of opinion on this point is due to the approximate equality of the two antagonistic elements of the population, the testimony of observers as to the inability of the Italians of Fiume properly to administer the port, the justified sensitiveness of the Slavs toward any infringement of sovereignty over their only good port and chief commercial city, and the serious economic and political disadvantages which such infringement would entail under the peculiar physical conditions which obtain at Fiume. (See attached letter by Mr. Miller.)

4. That if for reasons not connected with the best interests of the city and its hinterland it is deemed necessary that Fiume be made a free city, its right of local self-government should be accompanied by the following safe-guards of the interests of the Jugo-Slav State:

a. The moles, docks, basins and other instrumentalities of the port must be under Jugo-Slav sovereignty as well as Jugo-Slav ownership, and it must be possible for the Jugo-Slavs to acquire the land and other property needed for their extension.

b. The railways and other means of communication with the interior, (e. g., telephones, telegraphs, and postal service) must likewise be under Jugo-Slav control.

c. There must be no discrimination with respect to political and economic rights of any kind, nor with respect to schools and churches.

d. The city (except for a possible free port) must be included within the Slav customs frontier.

e. The organization of the city must be such as to abolish the present artificial division of the port into two parts.

These safe-guards are necessary: (1) To ensure conditions of sufficient stability to justify expenditures by the government and by Jugo-Slav and foreign private capitalists for the improvement and development of the port; (2) To prevent Italian interference with the development of the port and with its full use; (3) To give the Slavs a fair opportunity to achieve a position in the industrial and

political life of the community strong enough to safeguard their vital interests.

[*Signed*] W. E. LUNT
Chief of the Italian Division.
CLIVE DAY
Chief of the Balkan Division.
CHARLES SEYMOUR
Chief of the Austro-Hungarian Division.
DOUGLAS JOHNSON
Chief of the Division of Boundary Geography.
ALLYN A. YOUNG
Chief of the Division of Economics.

AMERICAN COMMISSION TO NEGOTIATE PEACE
OFFICE OF TECHNICAL ADVISORS.

6 April, 1919.

DEAR MAJOR JOHNSON:

In our conversation yesterday you asked my views as to the creation of an independent territory comprising, with certain exceptions, the districts of Fiume and Susak under the hypothesis that the territory surrounding these districts was entirely within the limits of Jugo-Slavia, and under the further hypothesis that the entire port facilities of Fiume as well as any land necessary for their extension would likewise be under the sovereignty of Jugo-Slavia, and that the railroads running into Fiume and other means of communication with the interior, such as telephones, telegraphs, and postal service, should be under the control of Jugo-Slavia.

I do not doubt that such an arrangement is a legal possibility, but there are certain legal questions to which attention should be directed as they involve matters of practical importance.

Under the hypothesis the territory in question would be independent but the character of the locus is such as to make it doubtful whether that independence could be more than theoretical.

From the maps which you showed me it appears that

what I will call the proposed "free area" while of very irregular shape, would run along the coast for ten or twelve miles, extending into the interior for a very short distance except in the center of the strip where it would be perhaps five or six miles wide, and even from this area would have to be deducted all of the docks, etc., which extend over most although not all of the waterfront. Furthermore, the control of the railroads by Jugo-Slavia would result in dividing the territory to be administered in the free area into three parts: the first what may be called the interior on the land side of the railroad, and the other two small strips of the coast between the railroad and the sea, lying on either side of the docks.

It should be added that under your statement of the hypothesis the area would for customs purposes be part of Jugo-Slavia, and that the population of the area is perhaps 60,000 persons, of whom no doubt a certain number reside in the portion devoted to the docks.

Under any form of agreement it seems to me that the difficulties of the administration of such a very small area as an independent unit would be enormous, and to be successful would require almost complete coöperation and harmony between the government of the free area and the government of Jugo-Slavia. Take for example the question of police. The jurisdiction of police over the docks, etc. would necessarily be Jugo-Slav, and also similar jurisdiction over the railroads and their appurtenances, and even if the latter were not technically under the sovereignty but only under the control of Jugo-Slavia. Thus the police of the free area would be over three distinct pieces of territory with the consequent necessity of free passage and repassage over the railroad.

It may be assumed, although you did not so state, that there is one water supply for the territory which would be within the free area, and for the docks, etc. Such a water supply would be under two distinct sovereignties and yet would of necessity be under a single management; indeed, it would be quite important to determine in making such an agreement where the source of the water supply of Fiume was located, for if this source is in the

interior outside of the free area a still very difficult complication would be presented.

Without attempting to go into further detail I may mention that somewhat similar questions of administration would be presented in regard to the protection of health, the sewage system, the prevention of fire, and the means of communication between the two areas.

These matters are not mentioned for the purpose of expressing any opinion upon the questions of policy involved, but chiefly, as you suggest, in order, if such an arrangement is to be made, that very detailed knowledge of the local conditions may be obtained so that so far as possible future difficulties may be foreseen and perhaps avoided.

Very sincerely yours,
[*Signed*] DAVID HUNTER MILLER.

MAJOR DOUGLAS W. JOHNSON
Hotel Crillon
Paris.

DOCUMENT 34.

Letter of Orlando to President Wilson, April 3, 1919, refusing to discuss boundary problems while representatives of the Croats and Slovenes were present (autographed original).

IL PRESIDENTE
del
Consiglio dei Ministri.

Paris, April 3rd, 1919.

MR. PRESIDENT,

The quite unexpected way in which the Italian questions came up for discussion to-day, made it impossible to examine more thoroughly the many difficult points, including even questions of procedure, which present themselves.

I had not been able to come to an understanding with my colleagues on the Delegation, nor had my colleague, the Minister of Foreign Affairs, Baron Sonnino, come to the meeting, as it had been agreed that he would do, and as was done in the case of Mr. Tardieu when the problem of the French frontiers was under consideration.

As for the very delicate matter of giving a further hearing to the representatives of the Slovenes and Croats, —against whom Italy has been at war for four years,— I would not insist against it, just as I would not exclude the advisability of giving a hearing to the representatives of any other enemy people on whom it is a question of imposing conditions. But, on the other hand, as no such debate has yet been granted, I insist in thinking it advisable to abstain from taking part in a meeting which, as things stand, must necessarily give rise to debate.

I realize, with keen regret, that my absence may give rise to an impression, which I should be the first to wish

to avoid, that a misunderstanding has arisen between the Italian Government and the Allied and Associated Governments. I think however that such an impression will not be given, as the meeting this afternoon is not the meeting of the representatives of the four Powers, but a conversation between the President of the United States and the Prime Ministers of Great Britain and France with those Gentlemen.

I earnestly hope, Mr. President, that in this way the reason for my absence will be seen in its true light, i. e. not as an evidence of disagreement, but as an act of consideration towards colleagues, whose wish it is to obtain all the data available in order to form their own opinion on the grave matters under consideration.

Believe me,
Mr. President,
Sincerely yours,
[*Signed*] V. L. ORLANDO.

DOCUMENT 35.

Memorandum concerning the question of the Italian claims on the Adriatic, presented by President Wilson to the Italian delegation on April 14, with permission to make it public in Italy. Rejected by Orlando.

MEMORANDUM CONCERNING THE QUESTION OF ITALIAN CLAIMS ON THE ADRIATIC.

There is no question to which I have given more careful or anxious thought than I have given to this, because in common with all my colleagues it is my earnest desire to see the utmost justice done to Italy. Throughout my consideration of it, however, I have felt that there was one matter in which I had no choice and could wish to have none.

I felt bound to square every conclusion that I should reach as accurately as possible with the fourteen principles of peace which I set forth in my address to the Congress of the United States on the eighth of January, 1918, and in subsequent addresses.

These fourteen points and the principles laid down in the subsequent addresses were formally adopted, with only a single reservation, by the Powers associated against Germany, and will constitute the basis of peace with Germany. I do not feel at liberty to suggest one basis for peace with Germany and another for peace with Austria.

It will be remembered that in reply to a communication from the Austrian Government offering to enter into negotiations for an armistice and peace on the basis of the fourteen points to which I have alluded, I said that there was one matter to which those points no longer applied.

INDEPENDENT STATES.

They had demanded autonomy for the several States which had constituted parts of the Austro-Hungarian Empire, and I pointed out that it must now be left to the choice of the people of those several countries what their destiny and political relations should be.

They have chosen, with the sympathy of the whole world, to be set up as independent States. Their complete separation from Austria and the consequent complete dissolution of the Austro-Hungarian Empire has given a new aspect and significance to the settlements which must be effected with regard at any rate to the eastern boundaries of Italy.

Personally I am quite willing that Italy should be accorded along the whole length of her northern frontier and wherever she comes into contact with Austrian territory all that was accorded her in the so-called Pact of London, but I am of the clear opinion that the Pact of London can no longer apply to the settlement of her eastern boundaries.

The line drawn in the Pact of London was conceived for the purpose of establishing an absolutely adequate frontier of safety for Italy against any possible hostility or aggression on the part of Austro-Hungary. But Austro-Hungary no longer exists.

These eastern frontiers will touch countries stripped of the military and naval power of Austria, set up in entire independence of Austria, and organized for the purpose of satisfying legitimate national aspirations, and created States not hostile to the new European order, but arising out of it, interested in its maintenance, dependent upon the cultivation of friendships, and bound to a common policy of peace and accommodation by the covenants of the League of Nations.

ISTRIAN PENINSULA.

It is with these facts in mind that I have approached the Adriatic question. It is commonly agreed, and I very heartily adhere to the agreement, that the ports of

Trieste and Pola, and with them the greater part of the Istrian Peninsula, should be ceded to Italy, her eastern frontier running along the natural strategic line established by the physical conformation of the country, a line which it has been attempted to draw with some degree of accuracy on the attached map.

Within this line on the Italian side will lie considerable bodies of non-Italian population, but their fortunes are so naturally linked by the nature of the country itself with the fortunes of the Italian people that I think their inclusion is fully justified.

There would be no such justification, in my judgment, in including Fiume or any part of the coast lying to the south of Fiume within the boundaries of the Italian kingdom.

PORT OF NEW STATES.

Fiume is by situation and by all the circumstances of its development not an Italian but an international port, serving the countries to the east and north of the Gulf of Fiume. Just because it is an international port and cannot with justice be subordinated to any one sovereignty it is my clear judgment that it should enjoy a very considerable degree of genuine autonomy and that, while it should be included no doubt within the Customs system of the new Jugo-Slav State it should nevertheless be left free in its own interest and in the interest of the States lying about it to devote itself to the service of the commerce which naturally and inevitably seeks an outlet or inlet at its port.

The States which it serves will be new States. They will need to have complete confidence in their access to an outlet on the sea. The friendships and the connections of the future will largely depend upon such an arrangement as I have suggested; and friendship, coöperation, freedom of action must underlie every arrangement of peace, if peace is to be lasting.

I believe that there will be common agreement that the Island of Lissa should be ceded to Italy and that she should retain the port of Volna. I believe that it will be

generally agreed that the fortifications which the Austrian Government established upon the islands near the eastern coast of the Adriatic should be permanently dismantled under international guarantees, and that the disarmament which is to be arranged under the League of Nations should limit the States on the eastern coast of the Adriatic to only such minor naval forces as are necessary for policing the waters of the islands and the coast.

These are the conclusions to which I am forced by the compulsion of the understandings which underlay the whole initiation of the present peace. No other conclusions seem to me susceptible of being rendered consistent with these understandings. They were understandings accepted by the whole world, and bear with peculiar compulsion upon the United States because the privilege was accorded her of taking the initiative in bringing about the negotiations for peace and her pledges underlie the whole difficult business.

And certainly Italy obtains under such a settlement the great historic objects which her people have so long had in mind. The historical wrongs inflicted upon her by Austro-Hungary and by a long series of unjust transactions which I hope will before long sink out of the memory of man are completely redressed. Nothing is denied her which will complete her national unity.

Here and there upon the islands of the Adriatic and upon the eastern coast of that sea there are settlements containing large Italian elements of population, but the pledges under which the new States enter the family of nations will abundantly safeguard the liberty, the development, and all the just rights of national or racial minorities and back of these safeguards will always lie the watchful and sufficient authority of the League of Nations.

And at the very outset we shall have avoided the fatal error of making Italy's nearest neighbours on the east her enemies and nursing just such a sense of injustice as has disturbed the peace of Europe for generations together and played no small part in bringing on the terrible conflict through which we have just passed.

DOCUMENT 36.

Letter of six American experts to President Wilson urging him not to yield on the Italian claims (carbon copy).

April 17, 1919.

DEAR MR. PRESIDENT:

En route to France, on the *George Washington* in December, the President gave the territorial specialists an inspiriting moral direction:

"Tell me what's right and I'll fight for it. Give me a guaranteed position."

We regard this as a noble charter for the new international order. We have been proud to work for that charter. At this critical moment we should like to take advantage of the gracious invitation of the President to address him directly on matters of the gravest importance, and in accordance therewith beg to submit the following observations:

The Italian representatives demand Fiume and part of Dalmatia in order to emerge from the Conference with loot for their people. These districts belong to Jugo-Slavia, not to Italy. In our opinion there is *no* way—no political or economic device, of a free port or otherwise—which can repair to Jugo-Slavia the injury done if any outside Power prevents Fiume from being made an integral part of the Jugo-Slav organization. It would be charged that we had betrayed the rights of small nations. It would be charged that the principle, "There shall be no bartering of peoples" had been publicly and cynically thrown aside.

Italy *entered* the war with a demand for loot. France and England surrendered to her demand. Of all the world's statesmen the President alone repudiated a war

for spoils and proclaimed the just principles of an enduring peace. The belligerent nations, including Italy, agreed to make peace on the President's principles. Italy now insists that she must carry home an ample bag of spoils or the government will fall.

If Italy gets even nominal sovereignty over Fiume as the price of supporting the League of Nations, she has brought the League down to her level. It becomes a coalition to maintain an unjust settlement. The world will see that a big Power has profited by the old methods: secret treaties, shameless demands, selfish oppression. The League of Nations will be charged with the acceptance of the doctrines of Talleyrand and Metternich.

If Jugo-Slavia loses Fiume, war will follow. When it comes, the League will be fighting on the wrong side. Ought we to hope that it will be strong enough to win? Will the people of the world send armies and navies and expend billions of dollars to maintain a selfish and aggressive settlement?

Better a League of Nations based on justice than a League based on Italian participation bought at a price. The Italian government may fall, but the Italian people cannot long withstand the opinion of the world.

Never in his career did the President have presented to him such an opportunity to strike a death blow to the discredited methods of old-world diplomacy. Italian claims are typical of the method of making excessive demands in the hope of saving a portion of the spoils in subsequent compromises. To the President is given the rare privilege of going down in history as the statesman who destroyed, by a clean-cut decision against an infamous arrangement, the last vestige of the old order.

Respectfully submitted,

ISAIAH BOWMAN
Chief Territorial Specialist.

W. E. LUNT
Chief of the Italian Division.

CLIVE DAY
Chief of the Balkan Division.
DOUGLAS W. JOHNSON
Chief of the Division of Boundary Geography.
CHARLES SEYMOUR
Chief of the Austro-Hungarian Division.
ALLYN A. YOUNG
Chief of the Division of Economics and Statistics.

DOCUMENT 37.

Memorandum of A. J. Balfour, April 24, explaining attitude of Great Britain and France regarding the Italian settlement. A great controversy raged over making this document public, but it was finally kept secret and has never before been published (typewritten copy).

FIUME AND THE PEACE SETTLEMENT.

We learn with a regret which it is difficult to measure that, at the very moment when Peace seems almost attained, Italy threatens to sever herself from the company of the Allied nations, through whose common efforts victory has been achieved. We do not presume to offer any opinion as to the effects which so momentous a step would have upon the future of Italy herself. Of these it is for the Italian people and its leaders to judge, and for them alone. But we, who have been Italy's Allies through four anxious years, and would gladly be her Allies still, are bound to express our fears as to the disastrous effects it will surely have upon us, and upon the policy for which we have striven.

When in 1915 Italy threw in her lot with France, Russia and the British Empire in their struggle against the Central Powers, Turkey and Bulgaria, she did so on conditions. She required her Allies to promise that in case of victory they would help her to obtain in Europe the frontier of the Alps, the great ports of Trieste and Pola, and a large portion of the Dalmatian coast with many of its adjacent islands. Such accessions of territory would enormously strengthen Italy's power of defense, both on land and sea, against her hereditary

enemy, and would incidentally result in the transfer of over 200,000 German-speaking Tyrolese and over 750,000 Southern Slavs from Austrian to Italian rule. Under this arrangement Fiume was retained by Croatia.

Such was the situation in April, 1915. In November, 1918, it had profoundly changed. Germany was beaten; the Dual Monarchy had ceased to exist: and side by side with this Military revolution, the ideals of the Western Powers had grown and strengthened. In 1915 the immediate needs of self-defense, the task of creating and equipping vast armies, the contrivance of new methods for meeting new perils, strained to the utmost the energies of the Allies. But by 1918, we had reached the double conviction that if the repetition of such calamities was to be avoided, the Nations must organize themselves to maintain Peace, as Germany, Austria, Bulgaria and Turkey had organized themselves to make War; and that little could be expected, even from the best contrived organization, unless the boundaries of the States to be created by the Conference were framed, on the whole, in accordance with the wishes and lasting interests of the populations concerned.

This task of re-drawing European frontiers has fallen upon the Great Powers; and admittedly its difficulty is immense. Not always, nor indeed often, do race, religion, language, history, economic interests, geographical contiguity and convenience, the influence of national prejudices and the needs of national defense, conspire to indicate without doubt or ambiguity the best frontier for any State:—be it new or old. And unless they do, some element in a perfect settlement must be neglected, compromise becomes inevitable, and there may often be honest doubts as to the form the compromise should take.

Now as regards most of the new frontier between Italy and what was once the Austrian Empire, we have nothing to say. We are bound by the Pact of London, and any demand for a change in that Pact which is adverse to Italy must come from Italy herself. But this same Pact gives Fiume to Croatia, and we would very

earnestly and respectfully ask whether any valid reason exists for adding, in the teeth of the Treaty, this little city on the Croatian coast to the Kingdom of Italy? It is said indeed, and with truth, that its Italian population desire the change. But the population which clusters around the port is not predominantly Italian. It is true that the urban area wherein they dwell is not called Fiume; for it is divided by a narrow canal, as Paris is divided by the Seine, or London by the tidal estuary of the Thames, and locally the name, Fiume, is applied in strictness only to the streets on one side of it. But surely we are concerned with things, not names; and however you name it, the town which serves the port, and lives by it, is physically one town, not two: and taken as a whole is Slav, not Italian.

But if the argument drawn from the wishes of the present population does not really point to an Italian solution, what remains? Not the argument from history; for up to quite recent times the inhabitants of Fiume, in its narrowest meaning, were predominantly Slav. Not the arguments from contiguity; for the country population, up to the very gates of the city, are not merely predominantly Slav, but Slav without perceptible admixture. Not the economic argument; for the territories which obtain through Fiume their easiest access to the sea, whatever else they be, at least are not Italian. Most of them are Slav; and if it be said that Fiume is also necessary to Hungarian and Transylvanian commerce, this is a valid argument for making it a free port, but surely not for putting it under Italian sovereignty.

There is one other line of argument on this subject about which we would ask leave to say a word. It is urged by some, and thought by many that the task of the Great Powers is not merely to sit down and coldly rearrange the pieces on the European board in strict, even pedantic, conformity with certain admirable but very abstract principles. They must consider these great matters in more human fashion. After all (so runs the argument), the problems to be dealt with arise out of a great war. The conquerors in that War were not the aggressors:

Their sacrifices have been enormous; the burdens they have to bear seem well-nigh intolerable. Are they to get nothing out of victory, except the consciousness that State frontiers in Europe will be arranged in a better pattern after 1918 than they were before; and that nations who fought on the wrong side, or who did not fight at all, will have gained their freedom through other peoples' losses? Surely the victors, if they want it, are entitled to some more solid reward than theoretical map-makers, working in the void, may on abstract principles feel disposed to give them.

There is something in this way of thinking which at first sight appeals to us all; and where no interests are concerned but those of the criminal aggressors, it deserves respectful consideration. But in most cases of territorial redistribution it is at least as important to enquire what effects the transfer will have on the nations to whom the territory is given, as upon those from whom it is taken: and when, as in the case of Jugo-Slavia, the nation from whom it is taken happens to be a friendly State, the difficulty of the problem is doubled.

We do not presume to speak with authority on the value of the strategical gains which Italy anticipates from the acquisition of the islands and coastline of Dalmatia. They seem to us to be small; though, small as they are, they must greatly exceed the economic advantages, which will accrue to Italian trade from new opportunities, or to the Italian Treasury from new sources of revenue. We cannot believe that the owners of Trieste have anything to fear from Fiume as a commercial rival, or the owners of Pola from Fiume as a Naval base.

But if Italy has little to gain from the proposed acquisition, has she not much to lose? The War found her protected from an hereditary enemy of nearly twice her size by a frontier which previous Treaties had deliberately [rendered] insecure. Her Eastern seaboard was almost bare of harbours, while Austria-Hungary possessed on the opposite side of the Adriatic some of the finest harbours in the world. This was her condition in 1914. In 1919 her Northern and Eastern frontiers are as secure as mountains

and rivers can make them. She is adding two great ports to her Adriatic possessions; and her hereditary oppressor has ceased to exist. To us it seems that, as a State thus situated has nothing to fear from its neighbours' enmity, so its only interest must be to gain their friendship. And though memories belonging to an evil past make friendship difficult between Italians and Slavs, yet the bitterest memories soften with time, unless fresh irritants are frequently applied; and among such irritants none are more powerful than the constant contemplation of a disputed and ill-drawn frontier.

It is for Italy, and not for the other signatories of the Pact of London, to say whether she will gain more in power, wealth and honour by strictly adhering to that part of the Pact of London which is in her favour, than by accepting modifications in it which would bring it into closer harmony with the principles which are governing the territorial decisions of the Allies in other parts of Europe. But so far as Fiume is concerned, the position is different. Here, as we have already pointed out, the Pact of 1915 is against the Italian contention; and so also, it seems to us, are justice and policy. After the most prolonged and anxious reflection, we cannot bring ourselves to believe that it is either in the interests of Jugo-Slavia, in the interests of Italy herself, or in the interests of future peace—which is the concern of all the world,—that this port should be severed from the territories to which, economically, geographically and ethnologically it naturally belongs.

Can it be that Italy on this account is prepared to separate herself from her Allies? The hope that sustained us through the perilous years of War was that victory, when it came, would bring with it, not merely the defeat of Germany, but the final discredit of the ideals in which Germany had placed her trust. On the other hand, Germany, even when she began to entertain misgivings about the issues of the campaign, felt sure that the union of her enemies would never survive their triumphs. She based her schemes no longer on the conquest of Europe, but on its political, and perhaps also on its social, dis-

integration. The Armistice might doubtless produce a brief cessation of hostilities; but it would bring no repose to a perturbed and overwrought world. Militant nationalism would lead to a struggle between peoples; militant internationalism to a struggle between classes. In either event, or in both, the Conference summoned to give us peace would leave us at war, and Germany alone would be the gainer.

This or something like this is the present calculation of a certain section of German politicians. Could anything more effectually contribute to its success than that Italy should quarrel with her Allies, and that the cause of quarrel should be the manner in which our common victory may best be used? We are calling into being a League of Nations; we are daily adding to the responsibilities which, under the approaching Treaty, it will be called upon to assume; yet before the scheme has had time to clothe itself in practical form, we hasten to destroy its credit. To the world we supply dramatic proof that the Association of the Great Powers, which won the War, cannot survive peace; and all the world will ask how, if this be so, the maintenance of Peace can safely be left in their hands.

For these reasons, if for no other, we beg our Italian colleagues to re-consider their policy. That it has been inspired by a high sense of patriotism we do not doubt. But we cannot believe either that it is in Italy's true interests, or that it is worthy of the great part which Italy is called upon to play in the Councils of the Nations.

[*Initialed*] A. J. B.

Paris
24. 4. 19

DOCUMENT 38.

Famous public statement of President Wilson April 23, on the Italian settlement, which nearly disrupted the Peace Conference.

STATEMENT *IN RE* ADRIATIC.

April 23.

In view of the capital importance of the questions affected, and in order to throw all possible light upon what is involved in their settlement, I hope that the following statement will contribute to the final formation of opinion and to a satisfactory solution.

When Italy entered the war she entered upon the basis of a definite, but private, understanding with Great Britain and France, now known as the Pact of London. Since that time the whole face of circumstance has been altered. Many other powers, great and small, have entered the struggle, with no knowledge of that private understanding. The Austro-Hungarian Empire, then the enemy of Europe, and at whose expense the Pact of London was to be kept in the event of victory, has gone to pieces and no longer exists. Not only that. The several parts of that Empire, it is now agreed by Italy and all her associates, are to be erected into independent states and associated in a League of Nations, not with those who were recently our enemies, but with Italy herself and the powers that stood with Italy in the great war for liberty. We are to establish their liberty as well as our own. They are to be among the smaller states whose interests are henceforth to be as scrupulously safeguarded as the interests of the most powerful states.

The war was ended, moreover, by proposing to Germany an armistice and peace which should be founded on

certain clearly defined principles which should set up a new order of right and justice. Upon those principles the peace with Germany has been conceived, not only, but formulated. Upon those principles it will be executed. We cannot ask the great body of powers to propose and effect peace with Austria and establish a new basis of independence and right in the states which originally constituted the Austro-Hungarian Empire and in the states of the Balkan group on principles of another kind. We must apply the same principles to the settlement of Europe in those quarters that we have applied in the peace with Germany. It was upon the explicit avowal of those principles that the initiative for peace was taken. It is upon them that the whole structure of peace must rest.

If those principles are to be adhered to, Fiume must serve as the outlet and inlet of the commerce, not of Italy, but of the lands to the north and northeast of that port: Hungary, Bohemia, Roumania, and the states of the new Jugo-Slavic group. To assign Fiume to Italy would be to create the feeling that we had deliberately put the port upon which all these countries chiefly depend for their access to the Mediterranean in the hands of a power of which it did not form an integral part and whose sovereignty, if set up there, must inevitably seem foreign, not domestic or identified with the commercial and industrial life of the regions which the port must serve. It is for that reason, no doubt, that Fiume was not included in the Pact of London but there definitively assigned to the Croatians.

And the reason why the line of the Pact of London swept about many of the islands of the eastern coast of the Adriatic and around the portion of the Dalmatian coast which lies most open to that sea was not only that here and there on those islands and here and there on that coast there are bodies of people of Italian blood and connection but also, and no doubt chiefly, because it was felt that it was necessary for Italy to have a foothold amidst the channels of the eastern Adriatic in order that she might make her own coasts safe against the naval

aggression of Austria-Hungary. But Austria-Hungary no longer exists. It is proposed that the fortifications which the Austrian government constructed there shall be razed and permanently destroyed. It is part, also, of the new plan of European order which centres in the League of Nations that the new states erected there shall accept a limitation of armaments which puts aggression out of the question. There can be no fear of the unfair treatment of groups of Italian people there because adequate guarantees will be given, under international sanction, of equal and equitable treatment of all racial or national minorities.

In brief, every question associated with this settlement wears a new aspect,—a new aspect given it by the very victory for right for which Italy has made the supreme sacrifice of blood and treasure. Italy, along with the four other great powers, has become one of the chief trustees of the new order which she has played so honourable a part in establishing.

And on the north and northeast her natural frontiers are completely restored, along the whole sweep of the Alps from northwest to southeast to the very end of the Istrian peninsula, including all the great watershed within which Trieste and Pola lie and all the fair regions whose face nature has turned towards the great peninsula upon which the historic life of the Latin people has been worked out through centuries of famous story ever since Rome was first set upon her seven hills. Her ancient unity is restored. Her lines are extended to the great walls which are her natural defence. It is within her choice to be surrounded by friends; to exhibit to the newly liberated peoples across the Adriatic that noblest quality of greatness, magnanimity, friendly generosity, the preference of justice over interest.

The nations associated with her, the nations that know nothing of the Pact of London or of any other special understanding that lies at the beginning of this great struggle, and who have made their supreme sacrifice also in the interest, not of national advantage or defence, but of the settled peace of the world, now unite with her

older associates in urging her to assume a leadership which cannot be mistaken in the new order of Europe. America is Italy's friend. Her people are drawn, millions strong, from Italy's own fair countrysides. She is linked in blood as well as in affection with the Italian people. Such ties can never be broken. And America was privileged, by the generous commission of her associates in the war, to initiate the peace we are about to consummate,—to initiate it upon terms she had herself formulated, and in which I was her spokesman. The compulsion is upon her to square every decision she takes a part in with those principles. She can do nothing else. She trusts Italy, and in her trust believes that Italy will ask nothing of her that cannot be made unmistakably consistent with these sacred obligations. Interest is not now in question, but the rights of peoples, of states new and old, of liberated peoples and peoples whose rulers have never accounted them worthy of right; above all, the right of the world to peace and to such settlements of interest as shall make peace secure.

These, and these only, are the principles for which America has fought. These, and these only, are the principles upon which she can consent to make peace. Only upon these principles, she hopes and believes, will the people of Italy ask her to make peace.

[*Signed*] WOODROW WILSON.

DOCUMENT 39.

Orlando's reply to President Wilson, April 24.

ORLANDO'S STATEMENT.

April 24, 1919.

Yesterday, while the Italian Delegation was assembled discussing an alternative proposal sent them from the British Prime Minister for the purpose of conciliating the opposing tendencies that had shown themselves in regard to Italian territorial aspirations, the newspapers of Paris published a message from the President of the United States, Mr. Wilson, in which he expressed his own opinion in reference to some of the most serious problems that have been submitted to the judgment of the Conference.

The step of making a direct appeal to the different peoples certainly is an innovation in international intercourse. It is not my intention to complain about it, but I do take official notice of it so as to follow this precedent; inasmuch as this new system without doubt will aid in granting the different peoples a broader participation in international questions, and inasmuch as I have always personally been of the opinion that such participation was a sign of a newer era. However, if such appeals are to be considered as being addressed to peoples outside of the Governments that represent them, I should say almost in opposition to their Governments, it is a great source of regret for me to remember that this procedure, which, up to now, has been used only against enemy Governments, is to-day for the first time being used against a Government which has been, and has tried to be always a loyal friend of the Great American Republic:—against the Italian Government. I could also complain that

such a message, addressed to the people, has been published at the very moment when the Allied and Associated Powers were in the middle of negotiations with the Italian Government, that is to say, with the very Government whose participation had been solicited and highly valued in numerous and serious questions which, up to now, had been dealt with in full and intimate faith.

But above all I shall have the right to complain, if the declarations of the presidential message signified opposition to the Italian Government and people, since in that case it would amount to ignoring and denying the high degree of civilization which the Italian nation has attained in these forms of democratic and Liberal rule, in which it is second to no nation on earth.

To oppose, so to speak, the Italian Government and people, would be to admit that this great free nation could submit to the yoke of a will other than its own, and I shall be forced to protest vigorously against such suppositions, unjustly offensive to my country.

I now come to the contents of the presidential message: it is devoted entirely to showing that the Italian claims, beyond certain limits defined in the message, violate the principles upon which the new régime of liberty and justice among nations must be founded. I have never denied these principles, and President Wilson will do me the justice to acknowledge that in the long conversations that we have had together I have never relied on the formal authority of a treaty by which I knew very well that he was not bound. In these conversations I have relied solely on the force of the reason and the justice upon which I have always believed, and upon which I still believe, the aspirations of Italy are solidly based. I did not have the honor of convincing him: I regret it sincerely, but President Wilson himself has had the kindness to recognize, in the course of our conversations, that truth and justice are the monopoly of no one person, and that all men are subject to error, and I add that the error is all the easier as the problems to which the principles apply are more complex. Humanity is such an immense thing, the problems raised by the life of the people are so in-

finitely complex, that nobody can believe that he has found in a determined number of proposals as simple and sure a way to solve them as if it were a question of determining the dimensions, the volume and the weight of bodies with various units of measure. While remarking that more than once the Conference nearly failed completely when it was a question of applying these principles I do not believe that I am showing disrespect toward this high assembly. On the contrary, these changes have been and still are, the consequence of all human judgment. I mean to say only, that experience has proved the difficulties in the application of these principles of an abstract nature to concrete cases, thus with all deference but firmly, I consider as justified, the application made by President Wilson in his message of his principles to Italian claims. It is impossible for me, in a document of this sort, to repeat the detailed proofs which were produced in great number. I shall only say, one cannot accept without reservation the statement that the downfall of the Austria-Hungarian Empire implies a reduction of the Italian aspirations. It is even permissible to believe the contrary, that is, that at the very moment when all the varied peoples who constituted that empire sought to organize according to their ethnic and national affinities, the essential problem caused by the Italian claims can and must be completely solved. Now this problem is that of the Adriatic in which is summed up all the rights of both the ancient and the new Italy, all her sufferings throughout the centuries and all the benefits she is destined to bring to the great international community.

The Presidential message affirms that with the concessions which she has received, Italy would attain the walls of the Alps, which are her natural defences. This is a grant of vast importance upon condition that the eastern flank of that wall does not remain uncovered and that there be included among the rights of Italy that line from Mount Neveso separating the waters which flow toward the Black Sea from those which empty into the Mediterranean. It is this mountain which the Romans themselves have called the "Limes Italianus" since the

very hour when the real figure of Italy appeared to the sentiment and the conscience of the people.

Without that protection a dangerous breach would remain open in that admirable natural barrier of the Alps; and it would mean the rupture of that unquestionable political, historical and economic unity constituted by the peninsula of Istria.

I believe, moreover, that he who can proudly claim that it was he who stated to the world the free right of self-determination of nations, is the very person who must recognize this right for Fiume, ancient Italian city, which proclaimed its Italianness even before the Italian ships were near; to Fiume, admirable example of a national consciousness perpetuated throughout the centuries. To deny it this right for the sole reason that it has to do only with a small community, would be to admit that the criterium of justice toward nations varies according to their territorial expansion. And if, to deny this right, we fall back on the international character of this port, must we not take into account Antwerp, Genoa, Rotterdam,—all of them international ports which serve as outlet for a variety of nations and regions without their being obliged to pay dearly for this privilege by the suppression of their national consciousness?

And can one describe as excessive the Italian aspiration for the Dalmatian Coast, this boulevard of Italy throughout the centuries, which Roman genius and Venetian activity have made noble and great, and whose Italianness, defying all manner of implacable persecution throughout an entire century, to-day shares with the Italian nation the same emotions of patriotism?—The principle is being adduced with regard to Poland that denationalization obtained by violent and arbitrary methods should not constitute grounds for de jure claims; why not apply the same principle to Dalmatia?

And if we wish to support this rapid synthesis of our good international rights by cold statistical facts, I believe I am able to state that among the various national reorganizations which the Peace Conference has already brought about or may bring about in the future.

none of these reorganized peoples will count within its new frontiers a number of people of a foreign race proportionately less than that which would be assigned to Italy. Why, therefore, is it especially the Italian aspirations that are to be suspected of Imperialistic cupidity?

In spite of all these reasons, the history of these negotiations shall demonstrate that the firmness which was necessary to the Italian Delegation was always associated to a great spirit of conciliation in the research for a general agreement that we all wished for fervently.

The Presidential message ends by a warm declaration of friendship of America towards Italy. I answer in the name of Italian people and I acclaim with pride this right and this honor which is due me as the man who in the most tragic hour of this war has uttered to the Italian people the cry of resistance at all costs; this cry was listened to and answered with a courage and abnegation of which few examples can be found in the history of the world. And Italy, thanks to the most heroic sacrifices and the purest blood of her children, has been able to climb from an abyss of misfortune to the radiant summit of the most resounding victory. It is therefore, in the name of Italy, that in my turn I express the sentiment of admiration and deep sympathy that the Italian people has for the American people.

[*Signed*] V. E. ORLANDO.

Paris, April 24, 1919.

DOCUMENT 40.

Memorandum of May 8 for Adriatic settlement through plebiscites and the development of a new port for the Jugo-Slavs (Buccari) to take the place of Fiume. Presented by the Chief of Boundary Geography, Douglas W. Johnson, to President Wilson and by him laid before the Council of Four (carbon copy).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Paris, May 8, 1919.

From: Chief of Division of Boundary Geography.
To: The Commissioners.
Subject: Formula for Adriatic Settlement.

Referring to Ambassador Page's telegram of May 5 suggesting construction of a Jugoslav port at Buccari in order that Fiume might eventually be ceded to Italy without injury to the economic life of Jugoslavia, attention is directed to the accompanying formula which might offer to the Italian plenipotentiaries a means of emerging from a difficult situation without humiliating the Italian people. Adoption of the formula would result in the solution supported by the American territorial specialists and proposed by the President in his public memorandum of April 22nd, and hence is not a compromise solution; but the ends sought would be attained without needlessly wounding Italian sensibilities.

The following comments will make clear the intent of the formula:

Paragraph 1. If Italy is to receive all of German Tyrol south of the Brenner watershed, as seems to be implied in the President's published memorandum, the addition of this small but strategically important gateway into Italy would not appreciably increase the

injury done to German sentiment in the Tyrol, and would materially strengthen Italy's northern frontier.

Paragraph 2. In an earlier memorandum the American specialists have already recommended assigning the Tarvis district to Italy on condition that Fiume goes to Jugoslavia, and have set forth the considerations which make this desirable from the point of view of the central European countries. Possession of Tarvis would favor Italy's scheme for a Predil Pass railway and give her a better natural frontier on the Carnic Alps-Karawanken Mountains crest.

Paragraphs 3 and 4. The area shaded blue, between the line recommended by the American specialists and the extreme Italian claims' line, is solidly Jugoslav, is attached economically to Jugoslavia, and would undoubtedly vote for union with the Jugoslav State. The Jugoslavs accept in principle decision by plebiscite, and while the Slavs west of the recommended frontier, who for economic and geographic reasons are not permitted a vote, may object to this discrimination, the Jugoslavs in general would not strongly contest a solution which would give them the area in question. The Italian Government should find satisfaction in a solution which granted part of their claim immediately and which merely postponed final decision for a few months as regards the remainder; and the Italian people, their passions cooled, would find it difficult to press their case in face of a decision of the population in question to become Jugoslav.

Paragraph 5. A plebiscite in Fiume would, in the opinion of competent observers, show a majority in favor of Jugoslav sovereignty for economic reasons under present economic conditions. It may be regarded as certain that when asked to choose between Jugoslav sovereignty on the one hand, and on the other Italian sovereignty after a rival port has been built at Buccari, even the Italians of Fiume (about 50 per cent. of the population) must in their own interest vote in large numbers for Jugoslav sovereignty; the total vote in this sense would presumably be an

overwhelming majority. Thus the provisions of paragraph (b) would never be called into operation. Even if they were, the practical impossibility of constructing an adequate port at Buccari would be forced upon the Italian Government as soon as it began to study the problem and to count the cost. The government's decision to abandon the project would come when passions were less aroused, and the artificially stimulated campaign for Fiume had subsided. Since Italy claims that Fiume has already manifested its unanimous desire to be Italian, and also claims that Buccari can serve Jugoslavia as well as Fiume, the formula is fair to the Italian claims.

Paragraph 6. Lussin and adjacent islands are Italian in population, and while they dominate the entrances to the Gulf of Fiume, under the League of Nations such a condition may not be so serious as to prevent giving the islands to Italy if such concession is deemed necessary in order to secure a proper solution of the much more important Fiume and Dalmatian questions. Lissa has already been tentatively offered to Italy. The Pelagosa group could be given to Italy without appreciable injury to Jugoslavia.

Paragraph 7. There are objections to making Zara a free city, but these may be overbalanced by the advantages of making a concession to Italian sentiment at this point, provided the town alone is involved. If the area were enlarged to include the commune of Zara, a Jugoslav majority would be included.

Paragraph 8. A plebiscite in the Dalmatian coast and islands will give that area to Jugoslavia by an overwhelming majority. The area should vote as a whole, to avoid difficulties due to possible small Italian enclaves. The islands of Pago and Cherso, included in the Treaty of London line, are omitted from the proposed plebiscite area. The Italians have themselves suggested relinquishing their claim to Pago. Cherso, partly Italian in population, would together with its territorial waters practically close Fiume's two best outlets to the Adriatic; it may therefore be wise to

avoid complications which might result in the improbable event that a majority on this island should vote for Italian sovereignty. The chief value of the plebiscite would lie in the fact that it is a popular decision which the Italian people might be induced to accept in view of their claim that the majority of the population not only speaks Italian but is attached to Italy by cultural and economic bonds; and that it is a postponed decision which would materialize only after the present excitement in Italy had abated.

Paragraphs 9 and 10. Here may be inserted such provisions for an Italian mandate in Albania, Abyssinia or elsewhere as may be deemed wise.

NOTE.

The attached formula has been examined by the territorial specialists concerned with the Fiume and Dalmatian problems (the Chiefs of the Italian Division, Balkan Division, Division of Economics, Division of Boundary Geography, and Chief Territorial Specialist,—the Chief of the Austro-Hungarian Division, being absent) and has their unanimous approval.

Suggested Formula for Adriatic Settlement.

with president's recommendation.

1. Italy to receive the Sexten Valley (shaded green on accompanying map), a strategic gateway into northern Italy (not included in Treaty of London).

2. Italy to receive the Tarvis district (shaded green on map), a railway junction of much strategic and commercial importance (not included in Treaty of London).

3. Italy to receive the natural geographic frontier in Julian Venetia shown by heavy black line on the accompanying map.

4. Italian troops to be immediately withdrawn from areas east of this line. A plebiscite to be held within a period to be fixed by the League of Nations, and under appropriate safeguards, to determine whether the area

shaded blue on the accompanying map shall belong to Italy or to Jugo-Slavia.

5. Italian troops to be immediately withdrawn from the vicinity and city of Fiume, which shall be administered, within the Jugo-Slav customs régime, by the League of Nations until its future status is determined. The city and district of Fiume, together with its moles, docks, basins and other port instrumentalities, to be ceded to Italy when and if the following conditions are fulfilled:

(a) By a plebiscite held within a period to be fixed by the League of Nations, and under appropriate safeguards, the city and district of Fiume by a majority of all votes cast manifests its desire to be annexed to Italy under condition that and as soon as the provisions in (b) have been satisfied.

(b) Within six months after the plebiscite provided in (a) has been held, and in case this plebiscite results favorably to the annexation of Fiume to Italy under the conditions specified, Italy shall proceed to the construction in and about the bay of Buccari of all the port works, including moles, docks, basins, warehouses, office-buildings, railway tracks and all other port instrumentalities, necessary to provide for Jugo-Slavia and neighboring states a port whose facilities and possibilities of future development shall not be inferior to those of the present port of Fiume; and shall construct rail connections between the new port and the Fiume-Agram and Fiume-Laibach railways not inferior to the existing rail connections between Fiume and the interior. Construction shall proceed under the supervision of an international commission of experts appointed by majority vote of the Council of the League of Nations, which shall certify that the port works, when completed, are not inferior to the present port of Fiume in facilities, possibilities of future development, and rail connections with the interior. The works to be completed within a period to be determined by majority vote of the Council of the League

of Nations, and to be transferred without encumbrance to Jugo-Slavia under such conditions as to free port provisions as the Council of the League of Nations may by majority vote determine.

(c) Italy shall assure in perpetuity, to all nations concerned, the free and unhampered transit across the city and district of Fiume of persons and goods en route between points outside the territory of said city and district. (None of the territory to be ceded to Italy in accordance with the provisions of Section 5 was promised to Italy by the Treaty of London.)

In case any of the above conditions remain unfulfilled at the end of a period to be fixed by majority vote of the Council of the League of Nations, Fiume shall be transferred to Jugo-Slav sovereignty with such restrictions as to free port provisions as the Council of the League of Nations may by majority vote determine.

6. Italy to receive the islands of Lussin, Unie, Sansego, Asinella, Lissa and its adjacent islets including Busi and San Andrea, and the Pelagosa group (Pelagosa Grande, Pelagosa Piccola, Cajola, and immediately adjacent islets), (enclosed in green circles on accompanying map).

7. The town of Zara to be made a free city.

8. Italy to relinquish claim to, and immediately withdraw all troops from, those parts of the Istrian and Dalmatian islands and the Dalmatian mainland not mentioned in paragraphs 6 and 7.[1]

(*If further concessions to Italian sentiment are considered essential:*

Change paragraph 8 to read:

8. Italian troops to be immediately withdrawn from all parts of the Istrian and Dalmatian islands and Dalmatian mainland not mentioned in paragraphs 6 and 7. A plebiscite to be held within a period of one year from date of this Treaty, under appropriate safe-

[1]Paragraphs indicated by rule in margin were ringed in the original document by President Wilson.

guards, [*prescribed by a majority of the Council of the League of Nations*][1] to determine whether the area shaded red on the accompanying map shall, as a whole, belong to Italy or to Jugo-Slavia).

9. Italy to receive Valona and a sufficient hinterland for its defense.

10. Italy to receive mandatories in such regions as may be agreed upon, and to be assured such equitable economic safeguards as are justifiable in view of her special situation.[2]

(See next page for 11, added after conference with Trumbitch, and 12, added tentatively by me (Professor Johnson) to sound the President on this point).

11. The entire east Adriatic coast, from the former Austro-Italian frontier to the northern frontier of Albania, to be neutralized under the League of Nations. No fortresses to be allowed on any part of the coast, and no war vessels of any kind to be permitted in the waters bordering this coast. This provision to be accompanied by guarantees for the free passage of Jugo-Slav merchant vessels through the southern Adriatic and Straits of Otranto, even in time of war.

(If further concessions to Italian sentiment are necessary, change first sentence to read: "The entire Jugo-Slav coast to be neutralized").

The effect of this provision would be to render a Jugo-Slav navy impossible, and to give to Italy absolute control of the Adriatic Sea. On the other hand, the Jugo-Slavs would have the protection of the League of Nations against any attack by sea.

12. The American government, as an evidence of its friendship for Italy, engages to loan to Italy, on favorable terms, all funds received by the American government by virtue of the terms of the Treaty of Peace with Germany.

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[1] Handwritten notation by President Wilson.

[2] Paragraphs indicated by rule in margin were ringed in the original document by President Wilson.

DOCUMENT 41.

Balfour's memorandum of May 17, on the "Problem of Italy and Turkey in Anatolia" (mimeograph).

r. Balfour's Statement Regarding the Problem of Italy d Turkey in Anatolia, Dated May 16, 1919, and At-:hed as an Appendix to the Minutes of the Council of ıur, May 17, 1919.

The scheme provisionally accepted on Wednesday last a meeting of the "Three", contemplates the final struction of the Turkish State. This is already conmned, and I think rightly, to the loss of its European ssessions, its Arab-speaking population, and Armenia. is therefore in any case reduced, as far as the area of its npire is concerned, to a mere fraction of its former self; is fraction, however, we originally proposed to preserve, us leaving to the Sultan that great block of Anatolia ng west of the meridian of Constantinople, which is not erely inhabited by a population the vast majority of ıom are Turks, but which contains within its boundaries ost of the Turkish race. For this scheme has now been bstituted one which cuts this region into two separate ıtes, with different capitals, different sovereigns and fferent mandatories.

I look with much misgiving at this proposal. It will t only deeply shock large sections of Mohammedan inion, but I think it will also be made the subject of a eat deal of very unfavourable Christian commentary. e are all most anxious to avoid as far as possible placing luctant populations under alien rule; but ought we not be quite as careful to avoid the opposite fault? Is it greater crime to join together those who wish to be parated than to divide those who wish to be united?

And if the Anatolian Turks say they desire to remain a single people under a single sovereign, to what principle are we going to make appeal when we refuse to grant their request?

I think we must admit that no such scheme would ever have been thought of, if it had not been necessary to find some method of satisfying Italian ambitions. Unfortunately, this necessity haunts and hampers every step in our diplomacy. The Italians, armed with the Treaty of London, and supported by a passionate public opinion, will never be content with fragments of Tyrolese and Jugo-Slav territory in Europe; with French and British Colonial concessions in Africa, and with the Caucasus in the Middle East. We have also to find something for them out of the Turkish Empire in Asia Minor. Now I believe there are only two kinds of scheme possible by which the latter operation can be accomplished;—the scheme of partition advocated by the "Three", and the scheme which I ventured to lay before them. This last has not, perhaps, in all respects, been very clearly understood; which is not surprising, for it was very hastily written, and not very fully explained. But the matter is so important that I may be permitted to return to it.

Under my scheme Turkey remained an undivided State without a Mandatory. Its status was substantially that of the historic Turkish Empire. Its territories were, indeed, much diminished; it could no longer count as a Great Power; but in other respects the Sultan would reign at Brussa or Konia as his predecessors had formerly reigned at Constantinople.

Now it must be remembered that even at Constantinople representatives of the Western Powers had special positions in his administration, justified, and, indeed, rendered necessary for various well-known reasons. The public debt, the customs, and in some cases the police, were under the control or supervision of foreign advisers. This system I do not propose to alter, but rather to perfect. The Turks are familiar with it, up to a certain point they welcome it, and they do not deem it inconsistent with their unity or their independence.

The alternative scheme, which found favour on Wednesday, destroys both; for it cuts Turkey into two halves; and puts each half under a separate Mandatory. What are its compensating advantages? It is said, in the first place, that it avoids the evils of a Condominium. A Condominium, we are told, is never a success; it is slow moving, ineffectual and the occasion of endless friction between the controlling Powers;—a friction so acute as even to endanger the peace of the world.

But the plan I propose is not a Condominium. A Condominium, as I understand it, is the joint Government of a single State by many Powers acting collectively. Under such a system, the Powers first agree upon a policy, and then impose it upon the subordinate State. They control, actually or potentially, the whole administration. If they differ, the administrative machinery stands still. If their differences are due to their being moved by inconsistent interests, they may become acute and even dangerous. The subordinate Government is perpetually tempted to play one off against the other, and the whole country becomes the theatre of rival intrigues. Everybody quarrels, and nothing is done.

Now nobody will pretend that the Constantinople Government was a good one, but it was not as bad as all this. There were, of course, endless intrigues, political and financial. There was a perpetual struggle to obtain influence with the Sultan and his Ministers. There was much corruption; there was much mal-administration. But it was never a Condominium. The Sultan appointed his ministers; he appointed the Governors of his Provinces; he raised and commanded the Army; he directed the foreign policy of his country, and was in these and all other important respects, an independent sovereign. Certain branches of his administration were no doubt controlled, not by a foreign Condominium, but by foreigners. He remained, nevertheless, in quite a different position from that which he would have held either under a Condominium or under a Mandatory.

Another objection raised against my scheme is that it

gives special privileges to Italy in the southern part of the Turkish state. This is quite true, and of course I should greatly prefer that it were otherwise. But inasmuch as the whole plan is primarily devised in order to do something to satisfy Italian appetites, that is, I am afraid, inevitable. From an administrative point of view, the scheme would no doubt be much better if the Italians played no part in it. I freely admit it—but I submit that the argument is irrelevant. The Italians must somehow be mollified, and the only question is how to mollify them at the smallest cost to mankind.

Then it is said that to give the Italians a first claim to concessions in any district is to violate the principle of equal opportunities for all nations. Again, I am not prepared to deny the charge. My whole object is to give the Italians something which they will really like, and it seems that they have a great liking for concessions. I remember, when the Marquis Imperiali was comparing the advantages which the French would get out of Cilicia with the advantages which Italy was likely to get out of her share of Asia Minor, he was wont to dwell upon the wonders of a certain copper mine, which he said, I am sure quite truly, was to be found somewhere in the French zone. In the same way, I observe that Baron Sonnino's eyes are lovingly fixed upon a very indifferent coal mine on the Southern shores of the Black Sea. Personally, I regard these hopes and expectations with considerable scepticism. I doubt the existence of these hidden riches in Southern Anatolia. Even if they exist, I doubt whether their exploitation is going to make Italy rich; and I have a strong suspicion that even if these industrial enterprises are started under Italian patronage, they will be found after no great lapse of time to be under German management. But all this does not seem to me to be to the point. The object is to find some privileged position for the Italians in Southern Anatolia; and I particularly beg the "Three" to remember that she has already got the germs of such a position by a pre-war arrangement which she made with the Turks, in respect of the region neighbouring on Adalia. My suggestion

only extends and emphasises her privileges. It does not create them.

In any case, as Italy is not, under my plan, intended to occupy the position of a Mandatory in these regions, the general principle—that no Mandatory has a right to exceptional trade advantages in the country which it controls—is not violated. The only difference that I can see between what would happen under my plan, and what would happen if nothing were done for the Italians in Asia Minor, is that in the first case Italy would without question or controversy have the refusal of all concessions within a certain area: in the second case these concessions will be scrambled for at Brussa by the rival company-mongers of every country under Heaven, supported, no doubt, by their respective Ministers. The first plan may be an infringement upon the liberty and equality, nominally at least, secured by the second; but I do not know that these most excellent things are seen to the best advantage when they are enjoyed by corrupt administrators and greedy speculators.

But once again, this is relatively unimportant compared with the main objects of the scheme I am endeavouring to support. This is designed to do two things: to maintain something resembling an independent Turkish Government, ruling over a homogeneous Turkish population; the other is to find a position for the Italians within this Turkish state which will make a sufficient appeal to the ambitions of the Italian Government. From every other point of view the plan is, I admit, a bad one; but from this point of view—which is the one at the moment chiefly occupying our thoughts—I still think it worthy of serious consideration.

[*Initialed*] A. J. B.

PART VII

THE JAPANESE CRISIS

DOCUMENT 42.

Memorandum by Mr. Balfour of his conversation with the Japanese Delegates presented to the Council of Four, April 28, with important letter of Mr. Balfour to Baron Makino of the same date in which the relationship of the Shantung settlement to Japanese acceptance of the League of Nations is set forth (mimeograph).

APPENDIX VI.

The result of my conversations with the Japanese may, I think, be summarized somewhat as follows:—

In the first place, the Japanese strenuously deny either that they intended to modify in their own favour the conditions which the Germans had imposed upon the Chinese in connection with the Shantung Peninsula, or that, in fact, their treaties with China would have had that effect.

They say, on the contrary, that they propose surrendering all military control over the Peninsula, including the 50-kilometre zone around Kiaochow within which German troops were allowed but not Chinese, and all interference with the civil administration of the territory. Their intention is fully to restore Chinese sovereignty within the leased territory.

The provisions that appear in the Treaty of 1918, with regard to maintaining a garrison at Tsinan and guarding the railway with Japanese troops, are purely provisional, and refer only to the period of transition immediately following peace, and this period it is their intention to make as short as possible. No date was named, however, for the determination of this transitory arrangement.

In these circumstances, the German rights which the

Japanese propose still to retain are economic in their character. They consist in:—

1. A right to claim a concession at Tsingtau, which, however, does not exclude, and was not intended to exclude, the right also for other countries to organize an international concession, if that is desired;

2. The German rights in the railways already built, and the mines associated with them. The railways are built on land which is in full Chinese sovereignty, and subject to Chinese law.

3. Concessions granted to the Germans for building two other railways. These railways are to be built with Japanese capital, and the Japanese capitalists are at this moment negotiating with the Chinese Government as to the terms on which the necessary money will be provided. The Chinese Government will be able to secure the same position in regard to these railways as it has over other railways constructed by foreign capital.

The Japanese Plenipotentiaries, for reasons of national dignity which are easy to understand, are unwilling to modify the letter of the treaties which they have made with China, but they are ready (if I understand them rightly) to give explicit and binding assurances—

(a) That any concession which China gives them at Tsingtau will not exclude other foreign enterprise from the Port.

(b) That the economic control of the railway, which the possession of the majority of the shares gives them will not be used in any way to discriminate between the trade facilities of different nations.

April 27th, 1919.

APPENDIX VII.

April 28th, 1919.

DEAR BARON MAKINO,

Through no fault of mine, there has, I fear, been some misunderstanding with regard to to-day's Meeting, and the business of Shantung in which you are particularly interested.

I was not myself present at the Meeting until I accidentally heard that the question of Shantung was deferred until to-morrow, when they propose asking you to give them the honor of your presence. As soon as I heard of this decision I went over to President Wilson's house, and again explained that you thought it due to you to have the Shantung question settled one way or the other before the discussion on the League of Nations came on this afternoon at the Plenary Conference. It was unfortunately then much too late to ask you to discuss the matter with your colleagues from America, France, and England. But after hearing what I had to say in supplement of the paper which I read to you yesterday, I was authorized to tell you that if—which they did not doubt—the view which I represented to them as being yours was held by you, they were quite satisfied as regards the permanent arrangements come to between Japan and China on the question of Shantung. The essence of these arrangements, as I repeated to them, is that after German rights have been ceded to Japan, Japan will hand back to China the whole of the leased territory in complete sovereignty; that the only rights which Japan will retain are the economic rights enumerated in my memorandum; and that Japan proposes to take every precaution to prevent undue discrimination in matters of railway rates, or port and harbour dues, or other cognate matters between nation and nation; in fact, that the policy of the open door should be fully carried out in the spirit as in the letter.

The only points on which your colleagues expressed anxiety were the temporary arrangements with regard to guarding the line and garrisoning Tsinan. These, as they pointed out, were not merely interferences with Chinese sovereignty, but interferences in excess of anything which the Germans could claim under their Shantung arrangements. They hoped you would consent to discuss this relatively unimportant aspect of the Shantung problem to-morrow at 11 o'clock. They quite recognize, and greatly regret, the inconvenience to which you may have been put owing to the fact that the Plenary Conference will, under this arrangement, precede the Shantung dis-

cussion; but they hoped that, inasmuch as the main doubts and difficulties connected with the surrender of the German lease appear to be already satisfactorily disposed of, you will forgive the inevitable postponement of conversations upon the purely temporary arrangement which still in their view seem to raise questions of difficulty.

Yours, &c.

(*Initialed*) A. J. B.

DOCUMENT 43.

Statement, April 30, of President Wilson regarding the Shantung settlement, the substance of which, but not the text, was given to the press on the same day: also cabled to Mr. Tumulty (typewritten original.)

Paris, 30 April, 1919.

The Japanese-Chinese matter has been settled in a way which seems to me as satisfactory as could be got out of the tangle of treaties in which China herself was involved, and it is important that the exact facts should be known. I therefore send you the following for public use at such time as the matter may come under public discussion. In the treaty all the rights at Kiao-Chau and in Shantung Province belonging to Germany are to be transferred without reservation to Japan, but Japan voluntarily engages, in answer to questions put in conference, that it will be her immediate policy "to hand back the Shantung Peninsula in full sovereignty to China, retaining only the economic privileges granted to Germany and the right to establish a settlement under the usual conditions at Tsingtao. Owners of the railway will use special police only to insure security for traffic. They will be used for no other purpose. The police force will be composed of Chinese, and such Japanese instructors as the directors of the railway may select will be appointed by the Chinese Government." It was understood in addition that inasmuch as the sovereign rights receded to China were to be unqualified, all Japanese troops remaining on the peninsula should be withdrawn at the earliest possible time. Japan thus gets only such rights as an economic concessionaire as are possessed by one or two other great powers and are only too common in China, and the whole future relationship between the two countries falls at once under the guar-

antee of the League of Nations of territorial integrity and political independence. I find a general disposition to look with favor upon the proposal that at an early date through the mediation of the League of Nations all extraordinary foreign rights in China and all spheres of influence should be abrogated by the common consent of all the nations concerned. I regard the assurances given by Japan as very satisfactory in view of the complicated circumstances. Please do not give out any of the above as a quotation from me, but use it in some other form for public information at the right time.

WOODROW WILSON.

PART VIII

THE ECONOMIC SETTLEMENTS

DOCUMENT 44.

Cablegram, November 21, 1918, William G. McAdoo, Secretary of the Treasury, to Oscar T. Crosby, United States financial representative in London (typewritten copy) regarding policies of continued financial and economic coöperation: with letter of transmittal to President Wilson from Secretary McAdoo, November 22, 1918. (autographed original).

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
WASHINGTON

November 22, 1918.

DEAR MR. PRESIDENT:

I enclose a copy of a cable which I have sent Mr. Crosby to guide him in his discussions with the Treasuries of the Allied Governments. I shall be glad if you will look over this cable and let me know if you wish further instructions sent to Mr. Crosby in regard to these questions.

Cordially yours,
[*Signed*] W. G. McADOO.

THE PRESIDENT.
The White House.
Enclosure 1.

COPY
By F. J.
Compared

SPECIAL GREEN

Charge to Treasury Department November 21, 1918.

AMEMBASSY,
London.

For Crosby from McAdoo. Treasury 576.

Embassy's 5620 from Paris October 29 midnight. Your

634. Embassy's 5662 from Paris November 1, 12 p.m. Your 644. Embassy's 5830 from Paris November 13, 1 p.m. Your 666.

First. The outstanding contracts in United States of Allied Governments are being compiled. Indications are they will not reach very heavy total and that they will be substantially reduced by cancellations.

Second. Regard it as unlikely that Allied Governments will desire to make further additional purchases here for strictly military purposes to any important amount but their applications for new purchases will be strictly scrutinized. Our loans for war purposes should rapidly diminish and soon cease. Loans to some countries for food may have to continue as a war measure until declaration of peace.

Third. Have no authority to make advances for reconstruction or other after-the-war purposes but expect to ask authority to establish credits after peace for limited period and to limited amounts so as to be able to furnish credits for some of Allied Governments who for a time after peace is declared would not be in a position to purchase except on credit certain of our commodities of which they are in need. Such sales may aid us in finding markets for our commodities and there may be considerable pressure here to induce Government to extend such aid. I feel we must be careful not to involve our Government too deeply and must encourage private financing of foreign business as much as possible.

Fourth. Under existing legislation we have authority before peace within limits of existing appropriations to establish credits from which advances may be made to take care of commitments made in the United States by Allied Governments in order that supplies they require for prosecution of the war should go forward in an orderly manner. I propose to establish such credits to the extent necessary to care for such commitments but have given no assurances in this respect to Allied Governments nor do I consider myself bound to make advances for this purpose as some of Allied Governments may be in a

position to meet their commitments otherwise than through borrowings from the United States.

Fifth. Our advances for purchases other than those named in the United States should cease as soon as possible and new commitments for neutral purchases should not be made by any of Allied Governments in expectation that our advances may be used to meet same. See our 560. Assuming additional authority for credits given by Congress then as soon after declaration of peace as practicable, and before if possible, our loans to Allied Governments should in general be limited to expenditures for extraordinary replacements and not cover commodities for general consumption.

Sixth. Approve of your indicating informally to Allied Governments that they should notify their nationals who are interested in the import of articles of general consumption to undertake at once to make private arrangements for their purchases and to state that a policy of retrenchment in the Government's loans from the United States must be contemplated as a consequence of the armistice. The views above expressed coincide with the conclusions which you indicate you have reached as set forth in your 666. This is fortified by the important considerations set forth in paragraph 5 of your cable of that number.

Seventh. I would like to see all restrictions on arbitrage exchange transactions removed and our advances to support exchanges discontinued. We must however recognize that the ability of a foreign government and its nationals to obtain commodities from us depends on their ability to prevent their exchange going to prohibitory figures which in turn would prevent them from utilizing our markets through private transactions.

Eighth. Am interested to know that in your opinion private assets available in allied countries if used to maximum will suffice as basis of credit for transactions involving private needs. While I approve of discussions with Allied Governments on the lines that the Treasury may not make advances to foreign governments for these

purposes, the time has not come to take final and positive stand on the subject.

Ninth. It is obviously important that United States should retain the utmost freedom of action in the disposal of its resources. Am disposed to agree with your conclusion as to restricting the functions of inter-allied bodies and gradually decreasing their activities and importance, thus concentrating all important negotiations and decisions in Washington. I do not think however these considerations should cause us to ignore the advantages of coöperation in certain situations, and I am quite willing to consider coöperation wherever the advantages to be derived therefrom are demonstrated.

Tenth. Determination of other branches of government and decisions at peace conference must have important effect in determining the Treasury policies. Am therefore unable at present to prescribe any hard-and-fast rules, but for your guidance give you my present views in the light of such information as I have at hand.

[*Signed*] W. G. McAdoo.
Secretary of the Treasury.

DOCUMENT 45.

The Pork Crisis. Letter of Herbert Hoover to President Wilson, January 8, 1919 (autographed original), regarding the refusal of Great Britain to continue buying American food, especially pork, at war prices: with his memorandum regarding plans for meeting the situation. (typewritten original).

AMERICAN COMMISSION
TO NEGOTIATE PEACE

Paris, 8th January, 1919.

MY DEAR MR. PRESIDENT:

I have cablegrams this morning, copies of which are enclosed, stating that the whole of the customary monthly orders from the British buying organizations on behalf of the Allied Governments have been withdrawn. I am informed by the French and Italian officials that it is untrue, that they have not withdrawn their share of the orders, and I am endeavoring to restore them.

The Allied food necessities have been outlined from time to time by a series of programmes made up by the Inter-Allied Food Council; the latest of these programmes is as recent as the 15th of December and calls for our entire January surplus. Our manufacturers have provided the particular types of manufacture required by each of these Governments and have enormous stocks of these materials in hand ready for delivery in accordance with the indicated programmes above mentioned.

While we can protect our assurances given producers in many commodities, the most acute situation is in pork products which are perishable and must be exported. We have in January a surplus of about 400,000,000 pounds, and the French, Italian and Belgian Relief and

other customary orders when restored will cover 60 percent of such. The British orders, at the rate indicated in their official programmes, would have been 140,000,000 pounds and covered our deficiency plus some help I am giving from the Relief. The British position is that they have sufficient supplies to last them for some weeks and that they wish to reduce their stocks.

If there should be no remedy to this situation we shall have a debacle in the American markets, and with the advances of several hundred million dollars now outstanding from the Banks to the pork products industry we shall not only be precipitated into a financial crisis but shall betray the American farmer who has engaged himself to these ends. The surplus is so large that there can be no absorption of it in the United States and it, being a perishable, will go to waste.

You will recollect that measures are before the Congress providing for appropriations for further economic assistance to the Allied Governments and I am confident that with the disclosure of this situation and the apparent desire of certain parties in England to break the American market will cause a reaction in the United States that will destroy the possibility of this economic support. In the face of this, the demand of liberated, neutral and enemy populations in Europe as to fats is beyond the ability of the United States to supply, and the need from the point of view of preserving order and laying the foundation of peace is absolutely instant in its insistence.

Mr. Davis and I have endeavored for the last six weeks to arrange some coöperative action with the British agencies to forefend this situation and, as indicated above, the final result has been the refusal on their part to cooperate. We have suggested that the British Government should join with ourselves in the purchase of the necessary amounts of fats at our assured price to be resold to the liberated and enemy territories in order to prevent the above debacle, and in this they have finally refused. I wish to assure you again that the prices which we are maintaining are the very minimum on which our American producers can come out whole on the effort they

have made in the Allied cause, and I cannot impress upon you too strongly the reaction that will arise in the United States if this situation falls to the ground.

With Mr. Davis I have prepared the attached memorandum which I would like to suggest should be presented by you to the Allied Premiers at the earliest possible moment, as I cannot conceive that men with their vision as to the present situation will tolerate for one moment the attitude taken.

Faithfully yours,
[*Signed*] HERBERT HOOVER.

His Excellency,
The President of the United States,
Paris.

MEMORANDUM FOR AGREEMENT WITH ALLIED PREMIERS, TO COMPRISE A DIRECTION TO THEIR VARIOUS GOVERNMENT DEPARTMENTS.

It is impossible to discuss the peace of the world until adequate measures have been taken to alleviate the fear of hunger, its attendant anarchy and its danger of possible further military operations. Therefore, before these peace negotiations can be opened auspiciously, it is essential to have the better feeding of the liberated, neutral and enemy territories of Europe in actual progress as the foundation of stability in government antecedent to the settlement of the great problems that will come before the Conference. It is therefore agreed by the Allied and the United States Governments that each shall, without further delay, furnish every possible assistance and facility required for carrying out the undertakings as to European Relief, which shall be carried out in the name of the Associated Governments.

The United States has, in order to support the Allied Governments in war, provided large supplies of foodstuffs, many of them perishable, which would have been required by the Allies had hostilities continued. In order to accumulate these supplies, the American Government has given assurances and guarantees to their pro-

ducers. The Allied Governments, as the result of the cessation of hostilities and the opening of other markets, no longer require the same amount of supplies from the United States as they have from time to time indicated by their programmes.

This surplus is now required to meet the necessities of Europe, and it is most fortunate that the surplus is available for these purposes. It would be a disaster to the objects of the Associated Governments if the congestion in the United States should not be relieved so as to save waste and to meet the assurances given by the United States Government, and the Allied Governments agree to at once direct their departments to coöperate with the United States Food Administration to support these assurances, and the application of these foodstuffs to the needs of liberated, neutral and enemy peoples.

Pending the more mature plans and settlements of the Relief Administration as to food, shipping and finance, it is directed that immediate provision should be made from any available source of food supplies for provisions to points of acute need in the Balkan States, the liberated peoples of Turkey, Austria, to Belgium and Poland, that such provision shall be retroactively the obligation of the four governments pending more definite arrangements.

It is desirable that the Associated Governments should show their good will towards the neutral countries of Europe by the immediate increase in the permitted importation of the surplus food commodities to these neutrals at once, being such amounts as the United States shall declare to be in surplus.

That it is necessary to at once give evidence of progress in the matter of food supplies to Germany and South Europe, and to this end the British, French and United States Governments will each at once give cabled orders for the shipment during the month of January of 30,000 tons of such fats (in addition to their orders for home consumption) as the United States shall declare available for these relief purposes. These foodstuffs shall be subsequently offered to Germany, subject to payment therefor and other conditions that the Associated Governments

may impose. That the Allied Governments and the United States will coöperate in the securing of such payment in a manner acceptable to each of the Associated Governments, and for providing the transportation of such foodstuffs. Before these supplies can arrive, the Relief Administration is expected to be working and to decide the conditions of distribution of payment and of further supplies and shipping.

These arrangements are declared binding upon all departments of the Allied and the United States Governments and shall be given immediate execution.

DOCUMENT 46.

Letter of Herbert Hoover to President Wilson February 4, 1919, regarding French obstruction to plans for feeding Germany, with copy of proposed resolutions, to be presented to the Council of Ten, providing for extending food supply both to Germany and to neutral nations (autographed original).

UNITED STATES FOOD ADMINISTRATION.

Paris, 4 February, 1919.

DEAR MR. PRESIDENT:

An error in the enclosure sent to you in my letter of yesterday with respect to the relaxation of blockade has, I am sorry to say, confused your mind on the matter. I enclose herewith the resolution drafted by Mr. McCormick and myself, which we are anxious to get through the Supreme War Council. It has three main purposes:

First. There is no right in the law of God or man that we should longer continue to starve neutrals now that we have a surplus of food. That is the object of the first part of the first resolution.

Second. The French, by obstruction of every financial measure that we can propose to the feeding of Germany in the attempt to compel us to loan money to Germany for this purpose, have defeated every step so far for getting them the food which we have been promising for three months. The object of the second part of the first resolution and of the second resolution is to at least find some channel by which the Germans can help themselves by trade with neutrals and South America.

Third. The object of the third resolution is to allow the people bordering on the Mediterranean to get into production and trade with all their might and by so doing

not only revive their commercial life but also to a large degree supply themselves with food and other commodities and thus take a large part of the burden of relief from the back of our government.

There is no possibility that with all the restrictions on trade taken off that the old Empire of Austria could ever resurrect any military importance. At the present time, we are actually furnishing food to points in Austria at the expense of governments that could be taken care of by private individuals if they could revive their foreign credits without enemy trade restrictions, blockade and censorship, etc., on commercial transactions. Of importance also in the longer view is that the Southwestern area of Europe simply cannot be fed with any governmental resources that either the allies or ourselves can produce over the next six months, unless they be allowed to get into the production of exportable commodities at the earliest possible moment.

I have worked consistently since arriving in Europe on the 25th day of November to secure these objects and I have to confess that although they have been accepted in principle in first one department and one government after another, they are constantly defeated by one bureaucratic and special self-interest after another of various governments, and I can assure you that the blockade against neutrals and the Southwest is being used today for purely economic ends, when its sole justification was for the protection and furtherance of military operations, which justification is now gone.

I realize that there is still some political importance in maintaining the blockade against Germany within certain limits, but it does not apply to the rest of Europe. I can see no hope of securing the removal of these restrictions except by a direct and strong intervention through yourself and mandatory orders given by the Supreme War Council.

Any reference to a given department in any government will in many cases receive a negative opinion from individuals, simply because of interest in the self-perpetuation of bureaucracy or special interests of govern-

ment or trade in a desire to continue the use of this weapon for aims entirely apart from the war. I am confident that no action is possible except of a mandatory character from the top.

Faithfully yours,
[*Signed*] HERBERT HOOVER.

His Excellency,
The President,
Hotel Murat.
Paris.

PROPOSED RESOLUTION TO BE PRESENTED BY THE PRESIDENT TO SUPREME WAR COUNCIL.

The Supreme War Council at the present time sees no military objection to certain relaxations of economic control of the enemy and approves and recommends the following relaxations in existing export and import control:

1. Norway, Sweden, Denmark, Holland and Switzerland to be allowed to import unlimited amounts of foodstuffs and to be permitted to re-export foodstuffs to Germany subject to the control of the Associated Governments, the aggregate amount of such re-exports with other imports of foodstuffs by Germany, not to exceed the amount of foodstuffs which the Supreme War Council may, from time to time, have agreed to permit to be imported into Germany.

2. Residents of Germany may be permitted, in such manner and through such agency as may be approved by the Supreme Council of Food and Supply to communicate with persons in foreign countries relative to the purchase of such amounts of foodstuffs as the Supreme War Council may have agreed shall be imported into Germany.

3. All commodities to be allowed to be imported into or exported from South Europe and countries bordering on the Mediterranean without limit as to amount and without guarantee against re-export of imports.

DOCUMENT 47.

Series of letters regarding economic situation and plan of financial reconstruction of Europe exchanged between Lord Robert Cecil for Great Britain, and Edward M. House and Bernard M. Baruch for America. These are:

1. Colonel House to Lord Robert Cecil (carbon copy) April 10, 1919.
2. Response (autographed original) Lord Robert Cecil to Colonel House, April 11, 1919.
3. Letter of Bernard M. Baruch (carbon copy) to Lord Robert Cecil, April 12, 1919.
4. Response (autographed original) of Lord Robert Cecil to Edward M. House, April 14, 1919.

COLONEL HOUSE TO LORD ROBERT CECIL.

(Carbon copy)

April 10, 1919.

DEAR LORD ROBERT,

I have received this memorandum you sent me with regard to the Economic Position of Europe. I agree with you as to the vital importance of this matter discussed therein, and am quite in accord with your suggestion that further investigation should be made of them.

I think the best way would be for France, England and the United States each to appoint two representatives of an expert character to an unofficial and informal Committee which should report to us as soon as possible. I will let you know our representatives. Will you let me know the names of yours and also arrange matters with the French Government?

[EDWARD M. HOUSE]

(Autographed original)

BRITISH DELEGATION
PARIS

April 11, 1919.

DEAR COLONEL HOUSE,

With reference to your letter of April 10, the names of our representatives on the Committee we discussed will be Mr. J. M. Keynes and the Hon. R. H. Brand. Mr. Keynes is at present in England for a few days, but I have written to him asking him to serve.

M. Clémentel has told me that he concurs warmly in the idea of this Committee, and proposes to appoint M. Monnet and M. Cellier, who is, I understand, one of the chief men in the Ministry of Finance. I have told M. Clémentel that the Committee is quite informal and private.

As soon as I hear the names of your representatives I will ask Mr. Brand to get into touch with them, so as to make further arrangements.

Yours sincerely,
[*Signed*] ROBERT CECIL.

(Carbon copy)

Hotel de Crillon, Paris
April 12, 1919.

MY DEAR LORD ROBERT:

Colonel House has turned over to me the communications which have passed between you and him. As you will recall, you and I have discussed this matter, and I endeavored to make it quite clear that I thought it would be inadvisable, for reasons explained to you, to undertake this now; and I was under the impression that you concurred in this opinion.

In the Supreme Economic Council we have discussed the economic conditions of the world, and you and I have talked it over at length. Furthermore, you have stated in clear and unmistakable terms to the Council your views upon this subject, in which we all concur.

Moreover, not alone all the governments suggested in the memorandum, but likewise all other governments, have been aware, since the signing of the Armistice, of the increasingly difficult economic situation in Europe. The Allied governments have it in their power to correct this situation by removing restrictions that are hampering trade; but all have refused to do it.

The raising of these restrictions includes the removal of the black list and the censorship, and the freedom of the use of the mails and the cables. This is something that could have been done during the last five months, can be done now, and would go far towards solving the problem. Until this is done, the economic situation will continually grow worse, and may reach a position where financial assistance may be of no avail. Unless the governments do this at once, it is useless to discuss any other phase of the problem. What is the value of setting up a commission to discuss this question, when a solution has already been recommended to the various governments, yet nothing has been done, while all Europe suffers?

The salvation of the world must rest upon the initiative of individuals. Individual credit can be established where governmental credit is gone. It is of a volume far beyond the capacity of governmental credit, where it does exist. It is smothered in the Allied countries, and in all other countries, by the restrictions.

You yourself have observed that, with Europe burning up, certain governments have refused to give locomotives, now lying idle, to countries whose structures are fast disintegrating. You know of the difficulties of trade in Roumania, and in other parts of Europe, which are causing the very conditions which it would be your endeavor to remedy.

I suggest that we do not create another commission to advise the governments to do the things they have already been advised to do, which can be done now, and which we all know will help the situation, but which are not done. Let us rather bend our energies to convincing our governments to do these things now. You

know what the position of the American government has been.

Very sincerely yours,

[BERNARD M. BARUCH.]

THE RT. HON. LORD ROBERT CECIL,
Villa Majestic, Paris.

(Autographed original)

OFFICES OF THE WAR CABINET,
WHITEHALL GARDENS, S. W. 1.

April 14th, 1919.

MY DEAR MR. BARUCH,

I received your letter of the 12th this morning.

As you know, I am entirely in sympathy with your view that all restrictions not proved to be necessary should be removed, and I have very little doubt that black lists will be suspended and that the modifications which you suggested in the Censorship will be made. I do not quite know what you mean by freedom of the use of mails and cables, but I shall be very glad to take that up when I see you. But with the rest of your letter I do not feel myself in agreement.

In the first place, I am sorry you should have ever misunderstood me to the extent of thinking that I thought there was any advantage in shirking the large economic issues which lie before us. I thought I had made it quite clear that in my judgment they must be faced and dealt with if possible before the President leaves Europe. You think that without question the economic situation can be solved by individual initiative. It may be so, though my own opinion is to the contrary, and it is for that reason that I pressed for the summoning of a small expert Committee to which Colonel House agreed. It may be that the result of the enquiry will show that without American assistance on a large scale, nothing can be done, and it may also be that America will decline to give that assistance. If she intends to take that attitude, forgive me for saying that she ought to take it quite openly and

before the face of the world. Then we in Europe shall know the extent of the problem that faces us.

I am afraid if I write more plainly, I shall offend even your partiality.

Yours very sincerely,
[*Signed*] ROBERT CECIL.

B. BARUCH, Esq.

DOCUMENT 48.

The Keynes Financial Scheme, (printed) together with letter of explanation, date April 23, 1919, from Mr. Lloyd George to President Wilson (autographed original).

BRITISH DELEGATION
PARIS

23rd April, 1919.

DEAR MR. PRESIDENT,

The Chancellor of the Exchequer and Lord Robert Cecil, on behalf of the British representatives on the Supreme Economic Council, have forcibly urged on the notice of His Majesty's Government the necessity of some bolder solution for the rehabilitation of the credit and economic life of Europe than is now available. For the time being the United States is providing on a generous scale for the urgent food requirements of the non-enemy countries of Europe. We, on our part, are furnishing assistance on a more modest scale. But these measures which are primarily directed to the relief of immediate distress, are inadequate, as Mr. Hoover himself is the first to recognise, to the solution of the whole economic problem. On the one hand, the United States may not be able to continue indefinitely her present assistance; on the other hand, this assistance does not touch the problem of supplying raw materials to any of the countries concerned and does not apply to the enemy countries at all

The position as it is reported by the British represer tatives on the Supreme Economic Council is as follov In the case of Germany the existing financial provis is not expected to look after food supplies alone n beyond June, and for raw materials there is no pro at all, which, in view of existing unemployment, a

less necessary if order is to be preserved in that country, peace to be signed and the obligations of the peace to be fulfilled. The other enemy countries are at a complete economic standstill and there is at present no plan whatever for dealing with them or for preserving their social and economic organisation from disruption and decay. The condition of the new States, of Serbia and of Rumania is hardly better. Mr. Hoover is meeting their immediate food requirements, but their economic and commercial fabric cannot be created or re-created unless they can be put in the possession of purchasing power with which to enter the markets of the world. France, Italy and Belgium present a different problem. But here also the external financial position has been represented to the Chancellor of the Exchequer by the Finance Ministers of these countries to be little short of desperate, and the need of outside assistance to be essential if they are to restore their countries and recommence the normal activities of peace. The United Kingdom enters upon the peace in a somewhat less unfavourable condition, with the question as to how we are to pay what we owe to the United States Treasury as the chief problem of our external finance; but we are in no position to give assistance to others on anything approaching the scale which they require. I may add this, however, that the difference between the position in England and the complete economic prostration of some of the other countries named above is so enormous, that our own serious difficulties in getting the wheels of industry going may be some index to the appalling magnitude of the problem in these other countries. In short, the economic mechanism of Europe is jammed. Before the war, as Mr. Hoover has said, 400,000,000 Europeans by working their hardest just managed to feed, clothe and house themselves, and perhaps six months' capital on which to live. That capital has vanished; the complicated machinery of internal and external production is more or less smashed; production has to a great extent ceased. The largely increasing population of Europe has only been maintained by the increasing development and inter-connection of world industry and

finance. If this is not only checked, but for the time being destroyed, it is difficult to see how the population can be maintained, at any rate during the very painful period of drastic re-adjustment. If free movement were possible and other countries could absorb it, there would inevitably be a vast emigration from Europe, until an equilibrium were established between the numbers of the population and the means of livelihood. As that is not possible this equilibrium must be reached in some other way. In Russia it is being reached, it appears, by reduction of population by starvation, and by drastic changes of occupation, e. g., by a town population being forced out on the land as labourers.

To what extent the same conditions spread over the rest of Europe must depend largely on whether or not the obstacles to the resumption of production can be rapidly overcome.

What, in such circumstances, are the alternatives before us? In some quarters the hope is entertained that with the early removal of obstacles in the form of the Blockade and similar measures to free international intercourse, private enterprise may be safely entrusted with the task of finding the solution. I am in accord with the view that an early removal of such obstacles is an essential measure, and that in the long run we must mainly look for our salvation to the renewed life of private enterprise and of private initiative. Indeed, so far as trading and manufacture is concerned, as distinct from finance, no other measures should be necessary from the outset. Nevertheless, in the financial sphere, the problem of restoring Europe is almost certainly too great for private enterprise alone and every delay puts this solution further out of court. There are two main obstacles: (a) the risks are too great; (b) the amounts are too big and the credit required too long. The more prostrate a country is and the nearer to Bolshevism the more presumably it requires assistance. But the less likely is private enterprise to do it. To a small extent and with a great margin some trade will be done and some barter. But not enough to meet the situation.

Apart from private enterprise His Majesty's Government see only two possible courses—direct assistance and various forms of guaranteed finance, on a very much larger scale than is at present contemplated, by the more prosperous of the Allied and Associated countries, which probably means to an extent of not less than 90%, the United States, or an attempt to re-create the credit system of Europe and by some form of world wide co-operation to enable the countries whose individual credit is temporarily destroyed to trade on their prospects of Reparation from the Enemy States or to capitalise their future prospects of production. Every consideration of policy and interest indicates the superiority of the second. The people of Europe will have to live on the fruits of their own daily labour and not on the bounty of another country.

His Majesty's Government, therefore, desire to lay before the Governments of the United States, of France and of Italy the concrete proposal contained in the paper annexed to this letter as their constructive contribution to the solution of the greatest financial problem ever set to the modern world. They are prepared to commit themselves immediately to participation in such a scheme, subject to the legislative sanction which it will presumably require in all countries; and they invite your observations and your criticisms.

I do not propose to enter upon any detailed explanation or justification of this proposal until it has been examined in outline by yourself and your advisers. There are many points in it which will require very careful discussions between our experts, and it is doubtless capable of much modification and improvement without detriment to the main ideas which underlie it. But these ideas I recommend to your judgment.

I may, however, at the present stage say this much. The scheme is an attempt to deal simultaneously in as simple a way as possible with several distinct problems. The countries which have been the victims of devastation are enabled to convert the bonds of the enemy into immediate purchasing power for the purpose of early

restoration. France is probably the greatest gainer from this scheme and is offered a way out from her almost overwhelming financial difficulties. The acute problem of the liquidation of inter-ally indebtedness, while not disposed of, is sensibly ameliorated. The Governments of the new States are enabled to prepare definite economic programmes which will consolidate their at present precarious positions and inspire confidence in their peoples. The Neutrals are shown that their claims against the estate of the enemy will not be overlooked, in spite of the circumstances of these claims' origin, provided they are prepared to play their part in the world wide scheme for the preservation of the credit of Europe. The enemy peoples are shown a way of discharging a part of their obligations and are given a reasonable measure of security for their economic existence in the immediate future. The good faith of the world as a whole is pledged for the carrying out of a scheme, the sole object of which is to set on its feet the new Europe. On the other hand it opens prospects of a renewal of trade to those countries primarily the United States and secondarily the British Empire, who have surplus goods to export or a favourable balance of trade to liquidate. It cannot be supposed that the two great continents, America and Europe, the one destitute and on the point of collapse and the other overflowing with goods which it wishes to dispose of, can continue to face one another for long without attempting to frame some plan of mutual advantage. And if it be admitted, as it must be, that trade can only recommence on the basis of credit of some kind, what better security can the lenders hope to secure than is herein proposed? But chief of all, perhaps, only a scheme of large and broad dimensions, which can be announced to and understood by the whole world, can inspire that sentiment of hope which is the greatest need of Europe at this moment. A proposal which unfolds future prospects and shows the peoples of Europe a road by which food and employment and orderly existence can once again come their way, will be a more powerful weapon than any other for the preservation from the danger of Bolshevism

of that order of human society which we believe to be the best starting point for future improvement and greater well being.

I suggest that the relation of this scheme to the Reparation Terms, which we are about to place before the German Government might be as follows. In these terms as at present drafted we demand an immediate payment of £1,000,000,000 from which sum is first to be deducted the cost of the Armies of Occupation and of approved supplies of food and raw material to the enemy. I suggest that if the present proposal is adopted the initial payment might be £1,000,000,000 *exclusive* of the cost of the Armies of Occupation and of approved supplies, and that the enemy might be permitted to pay £724,000,000 out of this sum in special Bonds thus to be created, providing the balance and also the cost of the Armies by the transfer of ships, gold, securities and so forth.

Ever sincerely,
[*Signed*] D. LLOYD GEORGE.

(*Secret.*)

SCHEME FOR THE REHABILITATION OF EUROPEAN CREDIT AND FOR FINANCING RELIEF AND RECONSTRUCTION.

April, 1919.

1.—(i) German Bonds to be issued to a *present* value of £1,000,000,000 and to a *face* value of £1,200,000,000, carrying interest at the rate of 4 per cent. per annum and sinking fund at the rate of 1 per cent. per annum as from January 1st, 1925, these payments to have priority over all other German obligations whatever, including additional claims for reparation not covered out of the above, the difference between the face value and the present value representing the funding of interest from January 1st, 1920, up to January 1st, 1925.

(ii) Austrian, Hungarian and Bulgarian Bonds to be issued to the present value of £125,000,000, £170,000,000 and £50,000,000 respectively on similar conditions. (N.B.—Turkey to be dealt with separately.)

(iii) Roumanian* Polish, Czecho-Slovakian, Jugo-Slav* and Baltic States Bonds to be issued to the present value of £15,000,000, £40,000,000, £20,000,000, £15,000,000 and £10,000,000 respectively on similar conditions.

2. Interest on each of the issues of Enemy Bonds under 1 (i) and (ii) above to be guaranteed jointly and severally by the other Enemy States, in the event of any one of them failing to provide the payments due.

3. In the event of the failure of the above guarantees, interest at 4 per cent. on all the above Bonds to the aggregate present value of £1,500,000,000 (or £1,800,000,000 as from January 1st, 1925), to be guaranteed by the principal Allied and Associated Governments, by the three Scandinavian Governments and by the Governments of Holland and Switzerland.

4. In the event of the guarantee under (3) becoming operative, the guaranteeing Governments to be responsible in proportions determined in advance, as set forth in the accompanying Schedule A.

5. In the event of any of the guaranteeing Governments failing to meet their guarantee, the remaining guaranteeing Governments to make good this failure in the same proportions amongst themselves as under (4).

6. A failure of any Government to meet its guarantee under the above clauses to be considered by the Financial Section of the League of Nations, and if judged by them to have been avoidable shall be punished by such penalty or forfeiture of a financial, economic or commercial character as the League of Nations may determine.

7. The Bonds to be free of all taxation in all the issuing or guaranteeing States.

8. Of the £1,000,000,000 Bonds to be issued by the German Government £724,000,000 shall be paid over to the Allied and Associated Governments on account of sums due for Reparation, £76,000,000 shall be utilized for the discharge of existing debts to the three Scandinavian countries, Holland and Switzerland; and the remaining one-fifth of the total, namely, £200,000,000

*Roumania and Serbia also to receive a share of Reparation.

shall be left in the hands of the German Government to be made available for the purchase of food and raw materials.

9. Of the bonds amounting to £345,000,000 in all to be issued by the Austrian, Hungarian and Bulgarian Governments, four-fifths in each case shall be paid over to the Allied and Associated Governments on account of sums due for Reparation, the remaining one-fifth being left in the hands of these Governments for the purchase of food and raw materials.

10. The Bonds amounting in all to the present value of £1,000,000,000 to be received by the Allied and Associated Governments on account of Reparation to be divided between them in the proportions determined upon by them for the division of Reparation receipts generally.

11. The Bonds to be accepted at their par value plus accrued interest in payment of all indebtedness between any of the Allied and Associated Governments.

12. The Bonds to be acceptable as first-class collateral for loans at the Central Banks of all the issuing or guaranteeing States, subject to such terms and limitations as may be in force with these institutions from time to time.

SCHEDULE A.

	PER CENT
United Kingdom	20
United States	20
France	20
Italy	10
Japan	10
Belgium	5
Norway, Sweden, Denmark, Holland, Switzerland	15

DOCUMENT 49.

Letter of President Wilson to Mr. Lloyd George, May 5, 1919, criticizing and opposing the Keynes financial scheme (typewritten copy).

5 May, 1919.

MY DEAR MR. PRIME MINISTER:

I have carefully considered your recent communication enclosing a scheme suggested for the re-establishment of more normal economic and financial conditions in Europe. I am fully alive to the confused conditions that now exist and to the very great importance of trying to clear and improve them, especially in respect to the situation of the new and weaker nations that are to be set up under the Treaty of Peace.

I am sorry to say, however, that Mr. Keynes' plan does not seem feasible from the American point of view. Our Treasury and our financial delegates here in Paris are convinced that the plan as presented lacks many elements of economic and financial soundness. I have asked our Treasury representatives here, Mr. Davis and Mr. Lamont, to explain in detail to your financial advisors the serious objections to the plan which present themselves to us. Personally, I am convinced of the soundness of these objections. I am convinced, moreover, that it would not be possible for me to secure from the Congress of the United States authority to place a Federal guarantee upon Bonds of European origin. Whatever aid the Congress may see fit to authorize should, in my judgment, be rendered along independent lines. By that I do not mean in ways that would not involve close and cordial coöperation with European governments, for such harmony and coöperation I consider indispen-

sable. I mean merely that such coöperation should not, so far as America is concerned, take the form of a guarantee upon bonds. Our Treasury also holds the view (and in this again I concur) that to the very limit of what is practicable such credits as it may be wise to grant should be extended through the medium of the usual private channels rather than through the several Governments. Your Treasury, I understand, and certainly ours, believes it wise to retire at the earliest possible moment from "the banking business."

In order, however, that practical progress may be made, I have asked our local advisors here to present to me their views as soon as possible. Meantime, may I not call to your attention the following facts and considerations with regard to Germany's present and prospective financial situation?

(a) Germany requires working capital. Without that, she will be unable to start her industrial life again, and therefore unable to make any substantial progress in the way of reparation, but

(b) The provision of the reparation clauses of the proposed treaty demand that Germany shall deliver over at once all her working capital, that is, practically the whole of her liquid assets.

(c) Simultaneously the suggestion is in effect made that America should in a large measure make good this deficiency, providing in one form or another credit, and thus working capital, to Germany.

Throughout the reparation discussions the American delegation has steadily pointed out to the other delegations that the plans proposed would surely deprive Germany of the means of making any appreciable reparation payments. I myself, as you know, have frequently made the same observation. But whenever any of us was urgent on this point, he was accused of being Pro-German. Our delegation finally gave assent to the reparation clauses as drawn, only because the reparation problem was one that chiefly concerned France, Great Britain, Belgium, and the other European countries, and not America.

I venture to point this situation out to you in order that I may make the following point clear. America has, in my judgment, always been ready and will always stand ready to do her full share financially to assist the general situation. But America has grave difficulties of her own. She has been obliged within two years to raise by means of war loans and taxes the sum of forty billion dollars. This has been a very heavy burden, even for our well-to-do commonwealth, especially in view of the fact of the short period during which such sums of money had to be raised; and our Treasury informs me that our investing public have reached, and perhaps passed, the point of complete saturation in respect of investments. Such is our situation.

You have suggested that we all address ourselves to the problem of helping to put Germany on her feet, but how can your experts or ours be expected to work out a *new* plan to furnish working capital to Germany when we deliberately start out by taking away all Germany's *present* capital? How can anyone expect America to turn over to Germany in any considerable measure new working capital to take the place of that which the European nations have determined to take from her? Such questions would appear to answer themselves, but I cannot refrain from stating them, because they so essentially belong to a candid consideration of the whole difficult problem to which we are addressing ourselves, with as sincere a desire as that of their colleagues to reach a serviceable conclusion.

Cordially and sincerely yours,
[*Signed*] WOODROW WILSON.

THE RIGHT HONORABLE DAVID LLOYD GEORGE,
Prime Minister of Great Britain,
Paris, France.

DOCUMENT 50.

Letter of Bernard M. Baruch to President Wilson, May 7, suggesting American ideas for the reconstruction of Europe (autographed original).

AMERICAN COMMISSION
TO NEGOTIATE PEACE

Hotel de Crillon, Paris,
May 7, 1919.

MY DEAR MR. PRESIDENT:

German militarism has been destroyed and the peoples of the world set free from political domination not of their own choosing. The rights of self-determination and political freedom are coming to the whole world which finds itself exhausted from the struggle to attain these ends—exhausted mentally, physically and financially. It is staggering under huge debts. The consequent grave industrial problems will require the strongest and most sympathetic treatment. But unless great care is taken, military domination will be succeeded by financial domination.

All of the countries owe large debts, for the most part to the United States, England and France. Exchange has depreciated and commercial and economic life is prostrate.

In order that a government like Italy and new governments such as the Baltic Provinces, Poland, Czecho-Slovakia and Jugo-Slavia, and the Balkan States such as Roumania and Bulgaria may establish themselves financial assistance must be given. Otherwise these people will find themselves financially shackled for years to come by a domination more severe and more difficult to throw off than was the military domination.

Permit me to say that I think it is the duty of the

United States, which has done so much to free these people and to establish high purposes and ideals in the world, to complete its work of freeing these people by giving them an equal opportunity in the world.

I recommend that aid be given to stricken Europe by the United States, in coöperation with England, France and any other country that desires to join; that the aid be not given jointly but independently; that the United States, England and France should each, by consultation, know what the others are doing in order that there may be no duplication of effort.

A prime condition of our granting aid should be the establishment of equality of trade conditions and removal of economic barriers. Any credits we give should be contingent upon the cancellation of preferential treaties and trade agreements now existing, and upon an understanding that the monies advanced by any of the governments should not be held as a special charge against the customs or duties or public utilities of any country. All advances should be made with the understanding that the nationals of all countries should receive equal opportunity to do business in the country to which the money has been advanced, and that no preference or special concession should be given to the country making the advance, except that where commercial credits are granted the material should be bought in the country making the advance.

The restoration of economic life in Europe, particularly in the new states which are being constituted by the terms of the Peace Treaty, require the following:

One: The Secretary of the Treasury should be empowered, with the approval of the President, where necessary, to adjust and change the terms of payment of principal and interest of the loans made to other governments. Exchange in all countries has depreciated and it will be difficult, until economic conditions improve, to pay in dollars in some cases even the interest on these loans. If the Secretary of the Treasury funded the loans over long periods and deferred the interest payments (taking notes for the interest for periods of from three to five

years) these countries would be freed from the immediate necessity of finding money for this purpose. This would relieve the exchange situation tremendously, have a tonic effect upon financial conditions in Europe, and give these countries an opportunity to rehabilitate and readjust their systems of taxation and finance.

Two: The Secretary of the Treasury should be empowered, with the approval of the President, to establish special commercial credit advances to the various nations which it may be desirable to assist, such credits or advances to be used in payment for raw materials, railroad supplies, machinery, etc., required from America. Modification of War Finance Corporation provisions may accomplish this. The necessity of all such purchases, and the method of purchase, should be supervised. Such loans should not be available for military purposes or for any form of public improvement or investment in fixed property, but should be used solely to assist the commerce of the country.

These loans should be made through the interested governments with the guaranty of the borrowing government, the guaranty of its banks, and on the individual note or credit of the borrowing merchant or grouped industry. This method is recommended not alone that we may have a combined credit, but that we may have the combined judgment and responsibility of the government, the banker and the merchant in passing upon the necessity for the loan. This will prevent wild and unnecessary expenditures. An agent or agency acting in coöperation (not joint agency) should be established in each country to pass upon the necessity of the commercial loans requested. It, in conjunction with the government and the banks of the borrowing country, should investigate the needs and see that the money is expended for the purpose for which it is advanced.

Each Allied, Associated or neutral government would have an opportunity to take its share in any or all advances; but a country would make a loan only for purchases from its nationals. There are already banks in

most of these countries, and others could be readily established by the peoples of the countries in question. The banks in the borrowing countries should not be permitted to charge more than one per cent. in addition to what the lending government would receive. It would not be necessary to extend these credits for more than three years. In most instances the money would be paid back before this time.

It might appear on the surface that this is a complicated and difficult plan, but it is not. The expenses could be paid by a charge of something less than one-quarter of one per cent. The organization could be quickly formed, made to function and bring to the peoples whom we desire to help the freedom and liberty of action that would go further to bring about normal and peaceful conditions than many times the money spent to restore order by force of arms.

There will be great competition among the financial and commercial interests of the various countries to make these loans. In many cases the exporting or selling house would assume part of the advance. Before long the government's place would be taken by private concerns. Once the plan is started,the final result will be that the treasuries of the various countries will be obliged to advance less money than is now thought necessary.

Three: To the newer countries some advances will have to be made in order to carry on their governments until the revenues come in from their restored industrial and economic life. But none of these monies should be used for military works or public improvements, except for such things as railroad facilities. The Secretary of the Treasury should be, with the approval of the President, empowered to do this.

Whatever the amount may be, it is an obligation that we cannot escape. It is a part of the obligation that the rich nations of the world, and America in particular, must carry out. America entered the war with a high purpose. It has written that purpose into the terms of the peace. It must now carry through that purpose, in order that peace may be maintained by the restoration

of normal conditions and by the granting of an equal opportunity to all.

Economic inequality and barriers were among the causes of the war. They have not been removed; in many cases they have been increased. No greater use can be made of our resources and I know of no more fitting climax to the part that America has played in the war, and to your own great work, than the accomplishment of this project.

Very sincerely yours,

[*Signed*] BERNARD M. BARUCH.

THE PRESIDENT OF THE UNITED STATES,
11, Place des États-Unis,
Paris.

DOCUMENT 51.

Printed memorandum of Norman H. Davis, and Thomas W. Lamont, May 15, "Observations upon the European [Economic] Situation: Possible Measures to Be Taken," with letter of transmittal from Lamont (autographed original). The idea of the American economic advisors as to America's relation to the European situation.

AMERICAN COMMISSION
TO NEGOTIATE PEACE

May 15, 1919.

Financial Conditions in Europe.

DEAR MR. PRESIDENT:

Attached to this note is the brief report which, some little time ago, you suggested that we make to you. Mr. McCormick, Mr. Baruch and Mr. Hoover have gone over this and I believe them to be in substantial accord with Mr. Davis and myself in this presentation.

We have not attempted to lay out a complete financial plan; but rather to analyze the situation with sufficient clearness to make certain solutions fairly manifest. If, for instance, our British and French friends were to agree with this analysis of ours, we are inclined to believe that they might think it wise to make certain fresh proposals far more reasonable than the original Keynes' suggestion. We should prefer to have the British and French make these new suggestions, as the matter is of even greater concern to them than to America.

You may not deem it wise to hand a copy of this report to Mr. Lloyd George or Mr. Clemenceau, for the reason that it is drawn up for your own private consideration and embodies certain suggestions with reference to possible

Congressional action. We can, however, readily revise the text on these points.

If you were to find time before tomorrow to glance through this draft report, we should then be in a position, if you can see us tomorrow, to go over a few principal points in it upon which we desire to secure your personal views.

With great respect, I am, dear Mr. President,

Sincerely yours,

[*Signed*] THOMAS W. LAMONT.

THE HONORABLE WOODROW WILSON,
President of the United States,
Paris.

For the President

(*Secret*)

OBSERVATIONS UPON THE EUROPEAN SITUATION POSSIBLE MEASURES TO BE TAKEN.

ECONOMIC SITUATION.

The European states, with the exception of the neutrals and Great Britain, are, speaking generally, in a most difficult position. These states have been over-run by war, raw materials are exhausted, the ordinary processes of production and distribution are in chaos. The question of feeding has, of course, been pressing; but the Hoover organization, supplemented somewhat by England's and France's efforts, has kept actual starvation at bay. There will be great suffering before the next crop is gathered, but if the industrial and trade situation can be improved, food conditions will automatically become better. Unless there is such *economic* improvement, it is not too much to expect that industrial and political revolutions will continue, with disastrous consequences for Europe and for the world.

AMERICA'S RELATION TO EUROPE'S SITUATION.

America has a direct relation to the situation in Europe. Not only is it true that no one great region of the globe

can remain in chaos, without such chaos vitally affecting the other regions; but America's trade relations with Europe are so extensive that many of its industries are dependent for their success on stable conditions in Europe. America's prosperity in the last decade has been largely coincident with the growth of its export trade to the Continent of Europe. Continuance of unstable conditions in Europe, unrelieved by strong coöperation from America, is bound to be reflected in serious business and industrial depression in America itself. For the moment Europe, with great inherent wealth, is almost destitute of goods. America has, or can produce, an exportable surplus of such goods. It is almost inconceivable that America should fail to make every effort to meet such a situation. Every consideration of humanity, justice and self-interest demands it.

PRINCIPLES UPON WHICH AMERICAN COÖPERATION MUST BE BASED.

If America is to assist in solving the European problem, we must work along certain sound principles, definitely stated:

Generous Credits

(a) Europe cannot pay cash for all raw materials she vitally requires; she must, therefore, receive credit on a liberal scale for her purchases.

Not too Restricted

(b) America's advances must not be strictly confined to covering purchases made in America. More freedom of action than this must be granted to Europe, if we are to enable her to restart her economic life.

Normal Channels Preferable

(c) Credits to Europe should, so far as possible, be extended through the normal channels of private enterprise, commercial and banking credits, etc. For the moment, however, while the situation here is still so unsettled and while, therefore, private credit will not be

available in sufficient amount, some United States government aid, on a limited scale, either direct or through the medium of an existing agency like the War Finance Corporation, must still be contemplated.

Governmental Guaranty Required

(d) The extension of private as well as public credits should for the present be conditioned upon the guaranty of the several governments in each instance where credit is granted.

European Coöperation Necessary

(e) The situation in Europe financially is closely interwoven, and should be considered as a whole. Therefore both governmental and private, commercial and banking interests in Europe should understand the necessity for co-operation among themselves, so as to be able to present at all times an intelligent and comprehensive view of the situation. There should be no duplication of effort.

In Extension of Credits

(f) To this end the leading European nations and the Neutrals as well (which in general are enjoying unusual prosperity) should co-operate in the extension of credits for raw materials, etc.; and in the case of the small nations in the effort to establish their currencies upon a stable basis.

Mobilization of America's Resources

(g) If America is to be able, in the long run, to extend through private channels the credits necessary, then it is absolutely essential that America's investment resources should in turn be mobilized on a large scale, so as to ensure, in America, the unity of action which is essential to meet the situation.

Handling of Internal Conditions

(h) If the European countries as a whole are to be justified in looking to America for credit, they must at once address themselves so as to handle their internal

situations of currency, taxation, etc., in a way to command the confidence of American investors.

Loans to Be Used Exclusively for Upbuilding

(i) None of the proceeds of loans made to, or credits established for, the European countries, shall be devoted to military purpose or to public improvements, other than the necessary reconstruction of transport facilities. The rebuilding of industrial and commercial life shall be the sole end in view.

No Discriminatory Tariffs

(j) Further, a condition precedent to America's active coöperation, is that there shall exist no tariffs or secret trade understandings between, or among, the European nations, the effect of which will be discriminatory against America and the lesser nations.

The Matter of Concessions

(k) In the same way, the question of private concessions must be safeguarded. America does not purpose, in the event she extends credit on a considerable scale, for instance to the lesser nations, to make such advances conditional upon obtaining any industrial or banking concessions. But America would seriously object to the granting of such concessions in a way that might prejudice the interest of her own and other friendly nationals. Finally:

Situation Requires Immediate Action

(l) The situation is so critical that immediate measures are necessary. Even though the granting of actual credits may, in certain instances, have to await fresh legislation, yet steps should be taken promptly, and knowledge of such steps given immediate publicity: otherwise it may prove quite impossible to prevent the present situation from growing rapidly worse.

FIVE PROBLEMS TO CONSIDER.

There are five concrete situations to be handled, to wit:

(1) Credits for the newly constituted, or lesser nations, such as Poland, Czecho-Slovakia, Greater Serbia, Roumania and the Baltic States.
(2) Immediate credits for raw materials for France, Belgium and Italy.
(3) Later credits to France and possibly Belgium for reconstruction.
(4) Working capital for Germany and the other Enemy States.
(5) Refunding by the United States Treasury of the interest, for the next three to five years, on loans to the Allied Governments up to November 11, 1918. Also, the funding of the principal of such loans.

As to:

1. CREDITS FOR THE NEWLY CONSTITUTED, OR LESSER NATIONS, SUCH AS POLAND, CZECHO-SLOVAKIA, GREATER SERBIA, ROUMANIA AND THE BALTIC STATES.

(1) The United States has been instrumental in constituting these new nationalities. There is, therefore, a certain moral obligation to help them to a fair start upon their new national life. Credits for Poland, Czecho-Slovakia, Greater Serbia, Roumania and the Baltic States are essential for:

Pressing Needs

(a) The purchase of raw materials, railway stocks and agricultural implements, required for the resumption of industrial and agricultural productivity;

Currency Reserve Necessary

(b) The establishment of a reserve sufficient to enable these countries to establish a stable, circulating medium. At present they have no gold reserve. It will be necessary for them either to obtain

gold or to make such special credit arrangements as can take the place of gold, as a reserve against notes to be issued.

Amounts Required for Newer Nations

(c) The credits required for these countries, to cover the next six months, should not exceed, and may prove materially less than, the following amounts:

Poland	$250,000,000
Roumania	50,000,000
Czecho-Slovakia	50,000,000
Greater Serbia	100,000,000
Baltic States	50,000,000
Total	$500,000,000

(d) Any plan looking to the extension of credits, as above, should (though forming part of the whole plan) be through natural, commercial and banking channels, so as surely to enlist the combined judgment and responsibility of the business man and banker. But every transaction should also carry the guaranty of the government in question. Such a plan can be carried through without the necessity of actual endorsement by the government upon each credit instrument; but by means of blanket legislation, along the lines of a recent Belgian enactment, guaranteeing commercial and banking credits extended by America.

As to

2. IMMEDIATE RAW MATERIALS FOR FRANCE, BELGIUM AND ITALY.

Estimates as to the total requirements for these three countries vary considerably, but it is thought that credits for $500,000,000 will be sufficient to cover their requirements for this year. If the French estimates are

to be accepted, it may be necessary for the United States government to continue certain temporary advances. Detailed estimates should be furnished by the three Governments.

As to:

3. CREDITS TO FRANCE AND BELGIUM FOR RECONSTRUCTION.

The amount of credits necessary in the next six months to enable France and Belgium to make outside purchases for these purposes will not be heavy; yet ample provision for these requirements should be contemplated and arranged in the general plan.

As to:

4. WORKING CAPITAL FOR GERMANY AND OTHER ENEMY STATES.

Germany requires working capital: without it she will be unable to restart her industrial life, and thus to make any substantial progress in the way of reparation. But the provisions of the reparation clauses of the proposed Treaty demand that Germany shall deliver over at once all her working capital, being practically the total of her liquid assets. The only logical manner of meeting Germany's requirements for working capital is obviously to leave Germany with sufficient of her present working capital to enable her to restore her industries. It is for the Governments which expect to receive reparation to consider this situation with respect to the enemy's working capital. America has no further suggestion to make on this point.

As to :

5. REFUNDING OF INTEREST OBLIGATIONS.

France, Italy and all of the other Allied and Associated Governments, even perhaps including England, will be

unable for some time to meet in gold the interest on their exterior obligations contracted during the war. These loans are held principally by the United States and England. Some provision should be made for temporarily refunding the interest on such obligations held by the United States or England. As the debtor governments cannot apparently pay this interest for at least three years, it will be a serious humiliation to them to force them to acknowledge their inability to do so. Therefore, from every practical point of view, it is advisable to arrange the matter before it becomes a real issue. England is already alive to this point, and as we are informed, has no intention of attempting to collect, for several years, the interest due her from those governments. In order for the United States Treasury to relieve the situation in similar manner, certain legislation will be required.

The funding, in part or in whole, of the principal of these obligations (for which the Secretary of the Treasury already possesses authority) would also be vastly helpful to the exchange situation in both Europe and America; and would impose upon the United States Treasury no heavier burden than it now carries.

SUMMARY OF RECOMMENDATIONS

In order to deal effectively with the several situations, as above set forth, we recommend the following immediate steps:

A Non-Governmental European Committee

(1) The organization, with the general approval of the British and French governments, of a small Special Committee made up of bankers and men of affairs, to coördinate, so far as possible, in Europe the general scheme of credits that are to be extended through banking and commercial channels. Such committee should consider the situation of the lesser nations, which should, in turn, engage to arrange their credits in accordance with the whole general situation. This non-governmental committee should keep in close contact with the man-

agers of the proposed investment group in America as follows:

Investment Mobilization in America.

(2) The organization in America of a country-wide investment group of banks and bankers; the managers of which, working in unison with commercial and manufacturing interests, shall

(a) act in co-operation with the Special European Committee, and

(b) co-ordinate the American investment public in broad plans for meeting the European situation.

Such American group to act under the general approval of the United States Treasury, and American credit operations generally to function through this group.

Recommendations to Congress.

(3) To present the situation to Congress, in order to secure such legislation as may be necessary:

(a) To grant total additional credits to any or all the countries in Europe of sums not to exceed $, on condition that any part of such credits as shall not have been availed of by January 1st, 1921, shall thereupon be cancelled. If Congress shall see fit to authorize such credits, that very fact will lead to greater activity and confidence on the part of American exporters, and will lessen the amount of credits requested from the Treasury.

(b) To fund without interest, for, say, three years, interest payments, due or coming due, upon obligations of European countries held by the United States Treasury.

(c) To grant the War Finance Corporation power, within prescribed limits, to assume the risk of practically direct commercial credits against American exports.

Educational Campaign Essential.

(4) The organization of an active campaign of education for the purpose of acquainting the American public

generally with the urgency of the whole European problem, the necessity for hearty co-operation in solving it, and for handling the situation in a broad and generous manner.

To-day there is no real conception in America of the situation in Europe. Not only is the desperate character of the situation not understood, but there is no appreciation of the fact that America's destinies are in a large measure inseparable from those of the rest of the world. Complete knowledge of the situation here can be gained only through observation upon the spot. Sympathy, however, and desire for co-operation can be cultivated through the establishment of joint interests. If America comes to feel that she has in Europe an interest that is both material and spiritual, she will grow to have a more kindly understanding of Europe's needs and of the ways to help her.

The practical workings of the League of Nations will be immensely stimulated if the citizens of America can persuade themselves of the wisdom of taking a close interest in the affairs of the European nations. Nothing is more certain, for example, than that, in case the American people grant credits on a substantial scale to the European countries, the close interest that will result will surely prove a great permanent factor in increasing the harmony and peace of the world.

To this manifestly desirable end, education, in the broad sense of the word, is essential throughout the United States. No one, at the present time, can set that process of education under way so admirably or so effectively as the President himself.

DOCUMENT 52.

Confidential report (printed), June 4, 1919, from a Committee of Economists appointed by the Four Heads of States to report on Europe's requirements of food and raw materials, and the means of financing such supplies. This report was never seriously considered by The Four.

MR. NORMAN DAVIS MR. BARUCH	for United States.
LORD ROBERT CECIL MR. KEYNES	for British Empire.
M. LOUCHEUR M. CLEMENTEL	for France.
SIGNOR CRESPI PROF. ATTOLICO	for Italy.

having been appointed a Committee by the Four Heads of States to report on Europe's requirements of food and raw materials and the means of financing such supplies beg leave to report as follows:—

1. They have considered separately the problems of the new states and Eastern Allies, of the Enemy States, and of the Western Allies.

2. In the case of the New States and Eastern Allies (*i. e.*, the Baltic States, Poland, Roumania, Czecho-Slovakia, and Jugo-Slavia), the Committee find that private credit will be inadequate by itself to provide the working capital necessary to restart industry, mainly for the two reasons, first that the credit of the individual firms is in itself not sufficient under present conditions to enable them to obtain large funds abroad, and second that, where the firms are in a satisfactory position to manufacture and market their goods, they are likely to

receive in payment depreciated paper money which is inconvertible into the foreign currency required to liquidate the credits so obtained. Both factors hinder merchants or bankers outside these countries from lending on a large scale, and the second factor deters prudent and businesslike persons in them from incurring foreign obligations, even when they are in a position to do so, which they see no likelihood of being able to discharge out of the proceeds of selling their wares. Overriding all this are the two political factors, that most of the Governments are in an experimental stage, and general political movements rendering all credit uncertain are at least a possibility, and that, of the principal natural markets of these countries, neither Russia nor Germany will be in a position to purchase as before.

The Committee, is, however, of the opinion that no lasting solution is possible which is not based upon a reestablishment of international trade on the basis of private rather than Government credit, and with this object they recommend that:—

(i) Each of the principal Allied and Associated Governments should seek out some appropriate method by which their own traders can be partially relieved of the credit risks of trading with these countries whether by an insurance scheme, by some Governmental or semi-Governmental body sharing the political as distinct from the trading risks or otherwise. There should be an interchange of information between the Governments concerned as to the progress of such arrangements. The Committee is of opinion in this connection that it is more necessary for Governments to share risks than to provide funds, the latter being within the capacity of existing banks.

(ii) A currency reorganization should be carried through in these countries with a view to withdrawing all the existing issues of currency and replacing them by a new currency based on a definite unit of real value. The Committee is of opinion that the Governments of all these countries should, as a condition of receiving any further financial assistance whatever, forego absolutely the pre-

rogative of issuing currency or legal tender of any description for a period of not less than ten years.

The committee is of opinion that if this currency reorganization is to be carried through it will be necessary for the principal Allied and Associated Governments to contribute a guarantee fund which might have to amount to as much as £80,000,000 to £100,000,000. It would also be desirable that the assisted Governments should undertake to pay over to the guarantee fund a proportion of their customs receipts or other revenue for a considerable period of years. The issue of such currency should aim at being as automatic and as much out of the control of the Governments of these countries as if it were actually composed of full value metal; and to secure this the issue should be under the control of some independent authority satisfactory to the Governments contributing to the Guarantee Fund.

3. Both of the above measures, especially the second, must necessarily occupy many months before they can come into effective operation. In the meantime provisional measures are necessary, mainly for the supply of raw material for industry, of tools for agriculture, and of means for the restoration of communications, without which there can be no employment. The Committee is of the opinion that for the immediate future a sum of from £30,000,000 to £40,000,000 might be adequate for the whole of this group of countries. They do not believe that this sum could be obtained through private channels, and, if provided, it would have to be by the Allied and Associated Governments.

They suggest that it should be a condition of such supplies that no expenditure be incurred by any of these countries for munitions, except with the approval of the Allied and Associated Governments, and that unauthorized hostilities of any description should be followed by an immediate stoppage of supplies.

There would be advantages in arranging that these supplies, so far as they were required for commercial and industrial purposes, should be made through private firms who should obtain the best possible security from

the importers on the other side. If the supplies are made direct by the Government the Committee suggest that the goods should be supplied not against Government bonds, but against the deposit and withdrawal from circulation of existing paper money at rates of exchange to be determined. Approved and properly backed commercial bills, expressed in local currency, might also be accepted in payment. If this plan were adopted, the Governments concerned would have to agree to suspend all further issues of currency pending currency reorganization as already proposed, in which case such reorganization would have to be undertaken immediately.

As regards food, they understand that the population is cared for by existing arrangements up to next harvest, with the exception of the supply of seed for autumn sowing.

4. In making the above recommendations the Committee have assumed that these States will not be required to shoulder any part of the responsibility of the enemy States for Reparation payments. If this question is decided otherwise, they are of opinion that the above proposals would be inadequate to meet the requirements of the case. The Committee believe, indeed, that the attempt to exact such payments from the newly constituted States is incompatible with their financial rehabilitation, the difficulties of which, even apart from this, will be very formidable.

5. In the case of Germany, the financial situation is overshadowed by the Reparation demands of the draft Treaty of Peace. It appears, from recent negotiations as to the finance of food supplies for Germany, that the data on which the Reparation Commission recommend a payment of £1,000,000,000 in the first two years after peace will now probably have to be revised. There is, for example, reason to fear that for various reasons the German Government would be unable to deliver the quantity of foreign securities contemplated by the Reparation Commission.

Under the terms of the Treaty of Peace the German Government is required to cede or deliver various specific

forms of property, of which the mercantile marine is the most valuable. But the Committee feel that they must be prepared for the possibility of the Germans only being able, in addition to the above cessions, to make inappreciable payments within two years. Even if no payment is required of her within this period, it might be impossible for Germany, without some assistance, to pay for the necessary importations which would place her in a position later on to make considerable payments for reparation.

Therefore, in the probable contingency of Germany being (*a*) unable to pay off in liquid assets the total of the first 20,000,000,000 of marks, (*b*) unable to import, for lack of means or of credits, or (*c*) not in possession of adequate working capital, the Committee think that one or more of the following means of assistance would have to be considered:—

(i) The various cessions of property could be treated not as advances in respect of Reparation but as sales, and the various Governments receiving this property might make the value of it available to Germany in cash to enable her to pay for importations, or, alternatively, Germany might be permitted to retain a sufficient amount of her existing assets to allow her to meet her requirements for working capital; (ii) the Allied and Associated Governments might advance a loan to Germany; or (iii) the terms of the Reparation chapter might be so amended as to permit Germany to sell bonds ranking in front of all reparation payments and having a specific security, as, for example, customs or foreign properties, attached to them, or to direct the Reparation Commission to accept part payment of the first 20,000,000,000 marks in this form.

The Committee is aware of the great difficulties attending each of the proposed alternatives, not least on account of the large sums involved. But the problem is unfortunately one of great urgency, of which a solution will be necessary immediately upon the signature of Peace by Germany. So far, no beginning has been made with the supply of raw materials, the cost of which is

estimated by the Raw Materials Section of the Supreme Economic Council at £180,000,000; and if the collapse of Germany is to be avoided such supply must commence immediately. Yet Germany is at present virtually destitute of resources. The fulfilment of the food programme up to the end of June will have reduced her gold reserve from £110,000,000 to £60,000,000, below which it cannot fall much further without the final collapse of her currency system, and will also have exhausted all of the known stock of immediately saleable or loanable foreign securities so far obtained by requisition. The Committee is not aware of any other resources available for immediate payments, except such foreign securities and properties as private German nationals may possess outside the jurisdiction of their Government, the amount of which available for this purpose cannot yet be estimated. If it were not for Germany's obligations for Reparation the Committee believe that through her associations in foreign countries she would be able to obtain large credits through private channels, but her indefinite and very large Reparation obligations greatly reduce such opportunities. The Finance Section of the Supreme Economic Council is informed by the Neutral Financiers' Committee that there is no expectation in present circumstances of neutral countries extending *large* credits to Germany, especially for the purchase of raw materials not originating in those neutral countries which is chiefly the case with those most urgently required.

The state of the German currency, already alluded to, is a serious aggravation of the position. The value of the mark in relation to the dollar has now fallen to less than a third of its par value. As the price of raw materials in terms of dollars has risen to two and a quarter times pre-war level, it follows that imported raw materials will cost in marks about seven times their pre-war price. As Germany has been cut off from imports for a long period, her internal prices have not adjusted themselves to this state of affairs. In the case of imported food, the military authorities in the occupied areas report that the price is too high for the purchasing power of all but five per cent.

of the population, so that even when food is available it cannot be sold unless the German Government or the Armies of Occupation subsidise it. If, however, the German Government sells imported commodities below cost price, its financial position becomes desperate, and a further inflation of the currency inevitable.

The Committee have devoted considerable space to the German situation because, in their opinion, this is the key to the whole European financial problem.

6. Some modification of the existing terms of the Draft Treaty of Peace would be required to enable the above proposals to be carried into effect, should they receive the approval of the Four Heads of States.

7. Austria, Hungary, and Bulgaria cannot be dealt with in advance of the reparation proposals. The Committee is of opinion that it is impossible to expect any appreciable payments from these countries in the near future. They suggest that this fact should be recognized, and that these countries should be dealt with on the same general lines as the Eastern Allies, but much less generously.

8. The French and Italian Representatives explained to the Committee with great force the situation of their respective countries, and called attention in particular to the very heavy adverse balance of trade to which they are at present subject.

The situation of France is characterized by two facts:

(*a*) The heavy adverse balance of her commerce.

(*b*) The devastation of war, the reparation of which necessitates expenditures comparable to those of war itself.

One of the principal assets, to which she looked to aid her in reëstablishment of her equilibrium, was her claims on Germany, the fate of which she linked with that of Germany herself. The observations made above upon the financial position of that country indicate that France cannot hope to find in these claims alone any immediate alleviation of her present and future burdens.

She must, therefore, look elsewhere for the resources necessary to secure a prompt restoration of her economic life.

For the immediate future, it is understood that she has sufficient dollar resources to meet her requirements in the United States.

As for the other indispensable requirements, which she must secure elsewhere, and in the main from the British Empire, e. g., wool, coal, freights, her position is becoming serious. The means of payment in London, arising in great part out of dollar and sterling resources, the result of the presence of the British and American armies in France, is constantly dwindling.

The French Representatives estimate that in July or August France will not be able to make new purchases of wool or coal, and that the French Government will find itself, so far as its own engagements are concerned, in a very difficult position.

The Italian situation is not less difficult and in some respects more urgent. The external war debt of Italy is heavier in proportion to her wealth than that of any other country. She is also more dependent on imported raw materials, having within her own borders neither coal, nor iron ore, nor wool. Nor has she a large mercantile marine. Her exports are mainly manufactured articles, and certain unessential agricultural products, for which Germany, Austria, and Russia, formerly her principal markets, must be considered lost. Remittances from emigrants, formerly so important, have largely disappeared for the time being. The newly-acquired provinces are not self-supporting from the point of view of raw materials, and they therefore constitute in this regard an additional burden on Italy. She has, therefore, no possibility at present of balancing her exports and imports, and is not in a position to purchase the absolutely necessary raw materials without credit. For the time being she is receiving substantial loans from the United States and the British Government.

As regards the United Kingdom, the British Representatives expressed the opinion that the assistance already afforded them by the United States would meet the case until the early autumn, and that they hoped even then to be able to maintain their position without

further assistance from the United States Government, provided they were not to become liable for any large measure of assistance to others; the British Treasury was not in a position to give any further assistance to France or Italy.

The financial position, therefore, of these three countries as well as that of Belgium, is full of anxiety.

The American Representatives pointed out to the Committee that the Secretary of the United States Treasury is not empowered to establish credits after peace except for the purchase of wheat in the United States, and only for that purpose in so far as any balance may be left over out of the appropriation of $10,000,000,000 for advances to the Associated Governments; and also that, according to advices received from Washington, it will be very difficult, and probably impossible, to obtain legislation empowering the Secretary of the Treasury to establish credits for further advances to these countries. They also pointed out, however, that Congress had, at the request of the Secretary of the Treasury, extended the powers of the War Finance Corporation by authorising it to extend aid to American exporters up to a maximum of $1,000,000,000, upon acceptable obligations maturing within a limit of five years; and that in their opinion the facilities thus provided (if supplemented by private credit and initiative) should be sufficient to meet the necessary purchases in the United States.

Some members of the Committee were doubtful if private credits and enterprise would be adequate to meet the situation.

Before concluding, the Committee considers it advisable to point out that, in spite of a well-organized currency and credit system, and of the private credits and resources available to England, France, and Italy, it will nevertheless be difficult, if not impossible, for them (within the next two or three years) to pay for all the raw materials which they may require and to overcome their unfavourable trade balance to such an extent as to be able also to cover the interest on their obligations held abroad. Although it has been anticipated that funds to

meet these needs would be received from Germany on account of reparation, the Committee now feels convinced that it is impossible to count on any substantial financial assistance from this source in the near future. The final solution may, therefore, require a more comprehensive plan than for the other portions of Europe, and it is most advisable that immediate consideration should be given by all concerned to meet the situations not already provided for. The Committee also feels that until France and Italy obtain the raw materials required, and until England, France and Italy can cover their adverse trade balances and meet the foreign interest payments due by them for the next two or three years, the improvement or stability in exchange and the confidence necessary to stimulate private enterprise may be perhaps fatally retarded.

DOCUMENT 53.

Cablegram from R. C. Leffingwell, Assistant Secretary of the Treasury to Norman H. Davis, May 7, 1919, giving views of Treasury regarding further financial assistance to Europe. Transmitted to President Wilson May 9.

Dated, May 7, 1919.

For Davis from Leffingwell. Treasury 1030.

Referring to your D-259 and 266, there was never any doubt here that your position was as outlined in D-266, but we thought that it might help with Lloyd George for you to have our views vigorously stated. It is perhaps unfortunate, but nevertheless true, that public sentiment in this country is in no mood to tolerate the assumption by government of further financial burdens in aid of Europe. One of the gravest difficulties in the way of the success of the Victory Liberty Loan has been the inability of our people to understand why we go on lending such huge sums to the Allies. Since the armistice these have been in the neighborhood of a billion and three quarters dollars. Such loans in the month of April alone exceeded $400,000,000. We are looking forward to making further loans up to the statutory limit of $10,000,000,000. This means that we shall have loaned to Europe in the neighborhood of $3,000,000,000 since the cessation of hostilities, our total loans to the time of the armistice having been in the neighborhood of $7,000,000,000. You can imagine that, having successfully carried on the fight for permission to continue our foreign loans to the Allies after the armistice, and having failed originally to obtain general extension of authority for government loans to the Allies, and believing that the very fact that we are making these loans is a great obstacle to the success of the

Victory Liberty Loan, I am strongly apprehensive of the popular and political effect of any suggestion of government loans or guaranties in aid of former enemies. The American people have lived an existence of provincial isolation for one hundred years; foreign trade has never been an important factor in our commercial or industrial life; we think of ourselves as having performed heroic deeds and borne great sacrifices to save France and Italy and hence England from annihilation by the Hun; and now we are inclined to feel that there is a disposition on Europe's part to exploit our generosity and to take advantage of us in financial matters. Unfortunate though it be, these are partly views of the average American. On the other hand the War Finance Corporation was recently authorized by Congress to extend aid to American exporters up to a maximum of $1,000,000,000. To this extent the Treasury has been successful in obtaining authority to meet the situation to which your D-259 refers and in which you say the President is interested, namely devising some practicable plan for affording assistance to Europe with especial reference to the Governments which have been newly constituted. The committees and members of both houses of Congress, though unanimously opposed without distinction of party to further government loans, were induced by the Treasury to accept amendment to the War Finance Corporation Act for this purpose. These amendments were incorporated in Victory Liberty Loan bill signed by the President March 3rd, last. The passing of this bill during the closing days of Congress, in the midst of a bitter partisan fight to force a special session, was thought here to be an important achievement of the Treasury. It would be very disappointing, not to say humiliating, to the Treasury to have the means thus devised for meeting the situation to which the President calls attention ignored, and no serious effort made to take advantage of them. You have already been fully advised as to the nature of this War Finance Corporation legislation; it in effect provides adequate machinery for reasonably long time credit for the movement of goods out of America. The

problem is, therefore, to get American exporters and the business men in the territories which the President has in mind in contact with each other for the purpose of doing business. I think you can be helpful in suggesting to the governments concerned that America is ready to supply the goods and to finance their movement in the way indicated and that the thing to do is to bring their intelligent and substantial business men in contact with American exporters for the purpose of developing some real business. You can, I think, be helpful in bringing the matter to the attention of such men now in Europe as Alexander Legge, whom you know very well, and whom we here regard very highly. If the Harvester Company, the Steel Company, and Ryan Copper interest would start something on these lines I believe we should have taken a very important step towards the solution of the problem during the period of war. Government aid has furnished an easy and prompt cure for everybody's troubles. It is hard for business men, even in this country, to realize that the time has come for reliance upon individual initiative. I realize how hard it must be, therefore, for business men in the countries which have been devastated by war to begin again. That is, however, what must be done if sound and permanent relief is to be given. We are doing all in our power to bring the importance of this situation to the attention of American business men and to make them realize that the War Finance Corporation is prepared to finance their operations for a substantial period. The question is not, therefore, whether America will help, but whether Europe has adaptability enough and vigor enough to work out some business transactions and interest American business men in their financial and economic restoration. There are signs of increasing interest among our people such as Farrell for steel, Ryan for copper, and among the cotton people. I hope the War Finance Corporation will immediately send two or three men to Europe with a view to looking over the field and possibly making some helpful suggestion for the purpose of expediting these operations.

POLK, Acting.

DOCUMENT 54.

Report, March 20, 1919, made by Norman H. Davis, Rt. Hon. E. S. Montagu, and Louis Loucheur regarding the reparation settlement, with special reference to Germany's capacity to pay.

REPORT TO THE THREE HEADS OF STATE.

By MESSRS. DAVIS, MONTAGUE, AND LOUCHEUR.

In endeavoring to arrive at what Germany can pay and how she can pay it, it is necessary to take into consideration the following questions:

(a) The future labor and political situation of Germany and the length of time necessary for her to return to her pre-war efficiency;

(b) Whether or not she can be made to work for the next 30 years practically on a war basis, by restricting her imports to absolute necessities and, in addition, be given freedom of the markets of the world for the sale of her products;

(c) To what extent such a plan will throw the burden of reparation on England and France by closing Germany as a market for their export products and making these countries, together with other countries of the world, a dumping ground for Germany's surplus products, to the detriment of the trade of the countries concerned;

(d) Just what amount Germany would be willing to undertake to pay without breaking off negotiations and forcing military occupation or other similar action upon the Allies.

Before the war Germany's exports were less than her imports. In 1913 (the best year in her history), Germany's imports exceeded her exports by 300 million

dollars. Against this unfavorable balance, her receipts from mercantile freights, profits of German enterprises and investments abroad, insurance and remittances from Germans living abroad, amounted to approximately 700 to 800 million dollars. This covered the trade deficit and left a surplus of approximately 400 to 500 million dollars. If her ships and her foreign investments are taken from her, this source of income will be withdrawn, and according to pre-war figures Germany would not be able to make any payment abroad. However, Germany spent approximately 400 million dollars per annum on her Army and Navy, and if the amount of labor and material thus consumed were turned into the production of essentials, Germany could have produced an exportable surplus, approximately sufficient to cover her trade deficit and leave a balance of 100 million dollars—assuming that a market could have been found for such exportable surplus.

On the other hand, there was apparently, in 1913, no unfilled demand for any further products, and if Germany had exported such additional amount, it would have been through a corresponding decrease in the exports of other countries.

The question therefore resolves itself entirely into how much can be saved by Germany confining her imports to essentials, and how much can the consumptive power of the world be increased.

On a liberal basis, we estimate that Germany might possibly pay from 10 to 20 billion dollars over a period of 20 to 30 years.

As nearly as we can judge from the present estimates, the damage done by Germany for which she is liable under the strictest interpretation of the exchange of notes between President Wilson and the German Government, as modified by the Allies on November 4 and accepted by President Wilson, might amount to approximately 25 billion dollars. It is felt that Germany should, if possible, be forced to pay at least this amount, and that, if the demands are confined to this interpretation, which the Germans have accepted, the moral opinion of the

world would force Germany to pay this amount if she can do so, no matter how many years it may take to do so. On the other hand, it is felt that if Germany should even reluctantly obligate herself to pay more than that, she might, within a few years, repudiate the entire obligation as having been an imposition, and the moral opinion of the world might support her in this. We believe, however, that this will not arise, because Germany would prefer an occupation rather than agree to any greater amount.

As to the estimates which have been given by some eminent bankers, to the effect that Germany would be able, over a period of 30 years, to pay 3 or 4 billion dollars per annum, we can say only that we are satisfied that such a performance on the part of Germany is utterly impossible, because in the first place she would never agree to such an undertaking, and in the second place, even if she were able to do so, which is improbable, it could only be done by absolutely destroying the trade of England and France and other countries of the world, and in order to do so Germany would have to develop a state of efficiency such as has never been known in the history of the world, and if she can do this, there is nothing we can do which would prevent Germany from overrunning the world thereafter.

We therefore recommend that a demand be made upon Germany to pay a capital sum of 30 billion dollars, one-half of which shall be paid in dollars or sterling or gold marks at the standard of weight and fineness at the beginning of the war, and that the other half should be payable in German currency.

Of the 15 billion dollars to be paid in foreign currency, we think that approximately 4 or 5 billion dollars might be paid by Germany within the next two or three years, through the liquidation of her foreign properties abroad, including the amount credited to her for her merchant fleet and German properties in ceded territories. The balance of this amount, say 10 or 11 billion dollars, we think should be paid, beginning in 5 years, and amortized within 30 years.

We are recommending that half of the 30 billion dollars be paid in German currency, because we are satisfied it cannot be paid in any other way. The German currency received in this way could be reinvested to a certain extent in Germany and could probably be withdrawn in the next 30 to 60 years.

At the beginning of the war, the total national wealth of Germany was estimated at 75 billion dollars, of which 15 billion dollars was invested in industrial enterprises. Even if all of the German industries were purchased by foreign capital, it would therefore be impossible to invest more than 15 billion dollars now in such a way—which is absolute proof of the impossibility of investing German marks to the extent reckoned by the parties who have made such high estimates as to Germany's ability to pay.

(We subsequently found Germany did not have 4 or 5 billion in foreign countries and all idea of this dropped.)

DOCUMENT 55.

Memorandum on reparations made by Norman H. Davis for Mr. Lloyd George.

MR. DAVIS'S ARGUMENT TO LLOYD GEORGE.

I. The amount Germany *can* pay is not capable of exact determination. It depends on uncertain factors, e. g., the future prosperity of Germany, the willingness of the German people to work over a period of years in order to make payment, and the hidden resources of the country.

It is fair to say, after an examination by experts, that all agree that Germany can pay, within a short period, such as two years, a sum of from $4,000,000,000 to $5,000,000,000, by the use of such assets as its merchant marine, property in ceded territories, gold reserve, foreign securities, and credits. Probably all agree that an additional amount of from $5,000,000,000 to $10,000,000,000 can be paid over a period of years, making a total amount of from $10,000,000,000 to $15,000,000,000 (£3,000,000,000).

The amount that Germany can pay in excess of the figures stated is a matter upon which there is a great opportunity for difference of opinion, but there is a strong probability that an additional amount of perhaps $15,000,000,000 could be paid, making a total of $30,000,000,000 (£6,000,000,000) if Germany be permitted to pay, say, 50% of this in German currency.

II. The amount of damage to the persons and property of the civilian population of the Allies for which Germany is bound to make reparation under any construction of the negotiations which preceded the Armistice, will probably be $30,000,000,000. It is not, therefore, of any

practical importance whether she has obligated herself to pay an amount in excess of that.

III. The question of the amount which it is wise to demand that Germany *shall* pay is affected by political and economic considerations, such as the following:

(a) The danger of demanding so large a sum as to induce the German Delegates to refuse to pay it, thereby confronting the Allies with the alternative of publicly reducing their demands or undertaking a military occupation for an indefinite period, in order either to force acceptance of the demands or attempting to collect themselves the amount demanded.

(b) The possibility of causing economic damage to the Allies. Germany can pay only by the labor of its subjects and by becoming prosperous. The imports must be reduced, thereby depriving the Allies of markets, and exports must be increased, thereby causing severe competition with the Allies. The consequence of forcing Germany to a state of maximum efficiency and saving for a long period of years in order to make large annual payments may cause greater economic damage to the Allies than the benefits they will derive from the reparation.

(c) There is a strong probability that forcing an unwilling people to work for a generation to discharge a large debt will cause unrest which may again disturb the peace of the world through agitation for repudiation, and it may also in time produce an effect on the public opinion of the world which will react upon the Allies.

IV. It seems probable, therefore, that $30,000,000,000 is the maximum which Germany can be asked to pay, in the following manner:

4 to 5 billion dollars in next two years.

10 to 11 billion dollars (making a total in all of $15,000,000,000) payable over a period of years, in cash, foreign securities, credits, etc.

15 billion dollars additional in German currency.

There is a serious question whether the Allies can, with safety, fix as large an amount as this.

V. In order to provide for future action which may

be rendered necessary by unforeseen circumstances, a commission should be created from the Powers interested with power to modify, suspend, extend, and possibly even cancel, payments that may accrue over a long period of years.

DOCUMENT 56.

Letter of Norman H. Davis, March 25, 1919 (autographed original), to President Wilson, with memorandum of American experts on the reparation settlement, their estimates, and those of the French and British (typewritten original).

AMERICAN COMMISSION
TO NEGOTIATE PEACE.

March 25, 1919.

MEMORANDUM FOR THE PRESIDENT:

As you will recall, after Messrs. Loucheur, Montague and myself had agreed upon and submitted a report to you and the two Prime Ministers as to the amount which Germany might be called upon to pay, Mr. Lloyd George, in the absence of Mr. Montague, called into the last meeting Lord Sumner, one of the British representatives on the Reparation Committee, and Mr. Keynes of the British Treasury. In an endeavor to arrive at a unanimous report by reconciling the views which had been previously submitted by Lord Sumner, we have had several meetings. We have agreed substantially upon the form for the Peace Treaty and upon the plan for its execution, but we have been unable to arrive at any agreement with Lords Sumner and Cunliffe (who was called in by Lord Sumner), because these two gentlemen still stand upon their original estimate of eleven billion pounds. Mr. Lloyd George told Mr. Lamont and myself last Saturday that he thought five billion pounds would be all right and that it would be quite acceptable to him provided we could get Lords Sumner and Cunliffe to agree to this amount, which he would like to have them do for his own protection and justification. We have handed our proposed wording to Colonel House who,

I understand, has transmitted it to you, with the various schedules of figures which may be used after you agree with the two Prime Ministers upon the exact sum which shall be taken.

In our opinion it is very essential to have Sub-Committee No. 2 of the Reparations Committee (which is to report on the amount which Germany can pay and how it may be paid) make its report and get out of the way. As Lord Cunliffe is the British representative on this Sub-Committee, it is apparently going to be impossible to make a unanimous report; and even if it were possible, it is, as I understand, your view as well as that of Mr. Lloyd George and Mr. Clemenceau that it would be inadvisable now to have any fixed amount reported by that Sub-Committee even if they could agree upon it.

I therefore suggest the advisability of having this Sub-Committee make a report to the General Committee, in general as follows:

I. It is impossible to estimate with any accuracy just how much Germany can pay, but the Sub-Committee estimated that Germany could pay, over a series of years, anywhere from one hundred billion to two hundred fifty-five billion marks, depending upon various factors, such as (a) the amount of territory which may be taken from Germany; (b) the number of years over which payment can be exacted; (c) the extent to which German commerce may be expanded without detriment to the creditor nations.

II. That a Commission be provided for in the Peace Treaty which shall have power, within certain limits, to determine what can and should be paid during certain periods by Germany.

III. Or we suggest, as an alternative plan, that, instead of having any estimate made by the Sub-Committee, they state in substance that, in view of the uncertain elements involved and until it is known what Germany will be left with, it is impossible to make any accurate estimate, and it is therefore

recommended that the sub-committee be dissolved and that the representatives of the respective Governments report directly to their chiefs from time to time during the negotiations as to what, in their opinion, might be collected from Germany.

Under such a general form of report, the embarrassment of the present situation could be avoided, and you and the two Prime Ministers could then appoint independently a representative each to conduct the negotiations and agree upon something more concrete and constructive, because it is impossible to handle such a delicate matter as this in so large a committee.

The foregoing is dictated hastily, but we are preparing for submission to you today a more carefully prepared plan of the whole situation.

This is now ready and is submitted herewith.

[*Signed*] NORMAN H. DAVIS.

THE PRESIDENT,
American Commission to Negotiate Peace,
Hotel Crillon, Paris.

P.S. I have shown this to Col. House who approves.
N. H. D.

The following are submitted as the joint views of Messrs. Davis, Strauss & Lamont.

REPARATION.

1. We believe that the Special Committee which has been considering this matter has arrived at practical agreement as to the form of its report. As to the figures, however, they have been unable to agree. Therefore, all three delegations have decided to submit the form to their respective chiefs, together with figures showing precisely the different ideas prevailing, suggesting that the heads of the three Governments may wish to decide, from among the sets of figures submitted, what schedule shall finally be inserted in the Treaty; or may desire to refer the matter back with further definite instructions to the Special Committee.

2. To this end we attach Schedule A, being a form which we have drafted for embodiment in the Treaty. The British and French state that in a general way they are in accord as to this form.

3. The chief points embodied in this form are:

(a) To fix the sums which the Enemy countries shall pay over a series of years, and

(b) To establish a permanent Commission which shall control the whole matter of Reparation payments and, within limitations, have power to postpone and modify the sums which the Enemy shall be called upon to pay.

4. Recognizing that the Commission may, in future years, receive information not now available as to the Enemy's capacity to pay, we propose that the Associated Governments (whose representatives are to compose the Commission) shall file with the Commission immediate instructions, giving this Commission latitude and discretion along certain lines, and specifically authorizing it to reduce the payments down to what we style a series of "minimum" payments. It is obviously unwise to exhibit to the Enemy at Versailles the fact that we contemplate the necessity for the course just described. The proposed instructions should cover considerable ground, and for your information we attach (Schedule B) a copy of such a letter. You will note that, among other things, this letter permits the proposed Commission to accept payment (in general up to 50 per cent) in the form of reichsmarks.

5. The constitution of such a commission presents certain difficulties. Attached (Schedule C) is suggestion as to how such a Commission shall be set up. You will note that our suggestion is to name, as the Government's representatives on this Commission, Great Britain, France and Italy. This will very likely be objected to on the part of these Governments, who will fear a deadlock and who will then wish America to be represented. If this should be deemed advisable, the Commission should be made to include five members, one the representative of the smaller powers. Further, provision should be made to

enable any Government to withdraw its representative upon one year's notice. If America finds it necessary to have a seat on such Commission in order to try to maintain harmony, at least she should have an opportunity to retire if she deems it necessary.

6. It should be noted that in the estimates submitted by the American Delegation this morning, it was assumed that the Enemy States should not be hampered in their manufactures and trade by embargoes and other restrictions.

SCHEDULE "A"

Copy sent to
Col. House

(Third revise
March 24).

TENTATIVE AND SUBMITTED WITH EVERY RESERVATION.

Total Damage for Which Enemy Responsible.

(1) The loss and damage to which the Allies and Associated Governments and their nationals have been subjected as a direct and necessary consequence of the war imposed upon them by the Enemy States, is upwards of 800 thousand million marks.

(2) It is recognized by all of the Allied and Associated Governments that the financial and economic resources of the Enemy States are not unlimited, and that it will therefore be impracticable for the Enemy States to make complete reparation for the loss and damage, above stated, resulting from the aggression of such Enemy States.

What Enemy Obligated to Pay.

(3) The Allied and Associated Governments have made a preliminary investigation of the material damage and of the personal injury to civilians, which the Enemy States have caused, and of the damage resulting from their acts in violation of formal engagements and of the law of nations. Such investigation shows that the aggregate of these items alone is a sum in excess of million marks.

What Enemy Can and Shall Pay.

(4) The Allied and Associated Governments have determined that the Enemy States shall be called upon to pay the sums as set forth below.

Initial Payment.

(5) The Enemy States shall pay within a period of two years, beginning May 1, 1919, the sum of 20 thousand million marks, and on account of the foregoing sum, shall immediately hand over to a Commission (hereinafter provided for) of the Allied and Associated Governments:

(a) the whole of the Enemy mercantile marine;

(b) per cent. of the stock of Enemy gold in the Government banks and in all other banks. (N.B. What per cent. this shall be is a matter for decision.)

(c) the whole of the Enemy property and rights of Enemy nationals situated outside Germany, including all foreign securities, properties, businesses and concessions.

Administration of Liquid Assets.

(6) The aforesaid assets shall be administered by the Commission (hereinafter provided for), which shall have power to restore, in whole or in part, to the Enemy States, particular assets out of the above if such Commission are satisfied that it is in the interests of the Allied and Associated Governments, having regard to the future condition of the Enemy States, that such assets should be so returned. The net proceeds, if any, of the assets retained by the Commission, after meeting the cost of supplies to the Enemy States, approved for payment by the Allied and Associated Governments, also the cost of the Armies of Occupation, shall be applied by the Commission towards meeting instalments of annual payments due as below.

Subsequent Payments.

(7) The Enemy States shall pay further sums in accordance with the following schedule:

(Here insert such schedule of maximum payments as the Allied and Associated Governments may agree upon).

Commission with Plenary Powers.

(8) With reference to the aforesaid payments by the Enemy States, a Commission shall forthwith be constituted in the following manner:

(Here insert provisions relative to the constitution of the Commission).

Such Commission shall have power:

(a) To handle, in the manner prescribed in the foregoing paragraph (6) those Enemy assets that are to be immediately handed over by the Enemy States;

(b) To fix the manner, form and place of the subsequent payments;

(c) In general to control and direct in all respects the matter of payments in such manner as may be, in the judgment of the Commission, most conducive to the interests of the Allied and Associated Governments; including the power, subject to such limitations as the Allied and Associated Governments may fix, to suspend, extend or cancel, in part or in whole, any payments due or to become due.

Acknowledgment by Enemy.

(9) The Enemy States recognize that the very intensity and extent of their aggression renders it impracticable to express in precise pecuniary terms the full measure of the loss and damage resulting therefrom, and they further recognize, without qualification and reserve, that the sums above set forth to be paid by them fall short of adequate compensation for that damage which the Enemy States should repay.

Undertaking by Enemy.

(10) The Enemy States hereby agree to make reparation to the extent of the sums above set forth, as the amounts to be paid by them, and to abide by and comply

with the decisions and directions of the Commission above provided for and described.

SCHEDULE "B"

SUGGESTIONS FOR INSTRUCTIONS TO COMMISSION.

March 25, 1919.

Maximum Payments.

The Commission is hereby instructed as follows:

(1) Attached hereto and made a part hereof and marked "A" is a schedule of payments for which, pursuant to Article of the Treaty, the enemy governments are liable.

Minimum Payments.

(2) Attached hereto and made a part hereof and marked "B" is a further schedule of payments, which schedule is not embodied in the Treaty itself. The Commission shall not authorize payments by the enemy governments to fall below those in said Schedule "B" set forth, except as in the next succeeding paragraph provided.

Exceptional Deferment of Principal Sums and Waiver of Interest During First 5-yr. Period.

(3) In the event that the Commission shall judge that the enemy governments are incapable of making the payments which said Schedule "B" contemplates shall be made within the period May 1, 1921–April 30, 1926, then, and as an exception to the next preceding paragraph, the Commission, in its discretion, may

(a) Authorize the postponement, to the extent and in the manner that the Commission may determine, of the payment of the principal sums contemplated by said Schedule "B" to be payable within the period of May 1, 1921–April 30, 1926.

(b) Waive permanently payment of all or any part of interest which said Schedule "B" may contemplate to become due during the period May 1, 1921–April 30, 1926.

Proportion Payable in Reichsmarks.

(4) The Commission, in fixing the method in which payments under either Schedule "A" or Schedule "B" shall be made, may authorize up to, but not more than, 66 -$\frac{2}{3}$ per centum of the payments in any year up to and including the year 1931 to be made in the currency of enemy countries (reichsmarks) which shall be accepted at the par of exchange, and it may authorize up to, but not more than, 50 per centum of the payments in any year subsequent to the year 1931 to be made in such currency, and at the same rate of exchange.

SCHEDULE "C"

Reference to Treaty.

Whereas, Article of the Treaty contemplates the constitution by the Governments of Great Britain, France and Italy of a Commission, now, therefore, the said Governments do hereby constitute said commission as follows:

Name of Commission.

(1) The said Commission shall be known as "High Commission on Reparation."

Its Membership.

(2) The said Commission shall be composed of three members. Each of the Governments of Great Britain, France and Italy shall appoint one member upon such Commission. The Government or Governments entitled to appoint members may fix the tenure of office of their appointees.

Expenses Borne by Enemy Governments.

(3) Proper provision shall be made by the Enemy States for the compensation and expenses of the Commission and of such staff as it may find it necessary to employ.

Procedure.

(4) The Commission shall act by the affirmative vote of not less than two members. Otherwise the Commis-

sion shall fix its own procedure and the time and place of its meetings. The first meeting of the Commission shall be held on the first day of May, 1919, at the City of Paris.

Powers.

(5) The Commission shall have power, subject to the instructions, if any, of the undersigned Governments of them:

(a) To receive and control in the manner already described in Article of the Treaty the initial payments and property to be handed over by the Enemy States;

(b) To fix the manner, form and place of the subsequent payments, pursuant to Article of the Treaty:

(c) In general to control and direct in all respects the matter of payments in the manner, in the judgement of the Commission, most conducive to the interests of the Allied and Associated Governments including the Power subject to such limitations as the Allied and Associated Governments may fix, to suspend, extend or cancel, in part or in whole, any payments due or to become due;

(d) In general to do such acts and things as, in the judgment of the Commission, may be necessary or useful to permit of the effective exercise of the foregoing powers.

Duties.

(6) It shall be the duty of the Commission to exercise its powers to give effect to the provisions of Articles of the Treaty and the provisions of such directions, if any, as may be given the Commission by the undersigned Governments or of them.

Responsibility.

(7) Each member of the Commission shall be responsible only to the Government or Governments having appointed him.

Termination of Commission's Life.

(8) The Commission shall cease to exist whenever the undersigned Governments or of them shall so determine.

Amendment.

(9) This instrument is subject to amendment by the undersigned Governments or of them.

FRANCE IN 1908.

Lands, and Forests	£3,020,000,000
Animals and Agricultural material	357,000,000
Buildings (including factories)	2,317,000,000
Businesses (including mines)	381,000,000
Bonds, including public bonds represented by property[1]	1,657,000,000
Foreign Securities	1,520,000,000
Gold and Silver	347,000,000
Furniture, Jewelry, Automobiles, Horses, Carriages	890,000,000
	£10,489,000,000
Deduct foreign securities and gold and silver	1,867,000,000
say	£8,600,000,000
of which 5 per cent. is	£430,000,000
Double this for increase of value and prices since 1908	£860,000,000

1. The estimates contained below must be taken with the reservation that, in our opinion, long before the amounts are collected, the Allied Governments may, and probably will, find that such collection is doing to them as much damage as to the enemy, and that the Allied Governments will find it to their interest voluntarily to reduce or suspend such payments. It must also be recognized that any such estimates involve large elements of conjecture.

Subject as the above,

2. It is our opinion that Germany can pay the minimum,

[1]Omitting dead weight public debt.

and may be able to pay the maximum, amounts per annum set forth in the American annexed schedule, it being understood that the Financial Commission to be appointed will have the power to fix the amount of the payments between the maximum and minimum limits and to modify the methods of payment, and if necessary will exercise its power to permit one-half thereof to be paid in paper reichsmarks at the par of exchange.

3. These payments may be continued for as many years as is necessary to produce the sum adjudged to be due in respect of reparation under the definitions contended for by the United States.

4. If it is deemed wise not to extend said payments beyond a fixed number of years (say 30 years) whether or not the present value thereof reached the amount due for reparation, then the present value of said maximum and minimum payments running over a period of 30 years will amount respectively to $25,000,000, and $35,000,000.

5. The original estimate of $30,000,000,000 which Messrs. Davis, Strauss and Lamont unanimously arrived at several weeks ago, is still, in their judgment, the most reasonable basis. But they have expressed their willingness to raise this estimate to the maximum figures submitted herewith, in order to try to meet the British and French views.

AMERICAN PROPOSAL FOR MINIMUM.

PAYMENTS (TO BE REDUCED TO THE FOLLOWING WITHIN DISCRETION OF COMMISSION).

	STERLING
Cash Payments (up to May, 1921)	£ 1,000,000,000
10 annual payments of £200,000,000, each, 1922–1931	2,000,000,000
10 annual payments of £300,000,000 each, 1932–1941	3,000,000,000
10 annual payments of £270,000,000 each 1942–1951	2,700,000,000
Total payments (including interest and sinking fund)	£ 8,700,000,000

The present worth (as of May, 1921) of this series of payments is £5,000,000,000 or $25,000,000,000

It should be noted that the initial sum above mentioned (£1,000,000,000) will probably be reduced to £600,000,000 because of the necessary cash payments to be allowed from it, covering food for Germany, cost of army of occupation and raw materials necessary to permit Germany to resume industrial work.

AMERICAN PROPOSAL FOR MAXIMUM PAYMENTS TO BE INSERTED IN PEACE TREATY.

	STERLING
Cash Payment (up to May, 1921)	£ 1,000,000,000
10 annual payments of £300,000,000 each, 1922–1931	3,000,000,000
10 annual payments of £400,000,000 each, 1931–1941	4,000,000,000
10 annual payments of £500,000,000 each, 1942–1951	5,000,000,000
Total payments (including interest and sinking fund)	£13,000,000,000

The present worth (as of May, 1921) of this series of payments is £7,000,000,000 or $35,000,000,000

It should be noted that the initial sum above mentioned (£1,000,000,000) will probably be reduced to £600,000,000 because of the necessary cash payments to be allowed from it, covering food for Germany, cost of army of occupation and raw materials necessary to permit Germany to resume industrial work.

FRENCH PROPOSAL FOR MINIMUM.

	STERLING
Cash Payment (up to May, 1921)	£ 1,000,000,000
In 1921	200,000,000
1922	240,000,000
1923	280,000,000
1924	320,000,000
1925	360,000,000
1926	400,000,000
From 1927–1961 inclusive (34 years)	13,400,000,000
Total payments (including interest and sinking fund)	£16,400,000,000

The present worth (as of May, 1921) of this series of payments is £6,200,000,000 or $31,000,000,000

FRENCH PROPOSAL FOR MAXIMUM.

	STERLING
Cash Payment (up to May, 1921)	£ 1,000,000,000
In 1921	400,000,000
1922	440,000,000
1923	480,000,000
1924	520,000,000
1925	560,000,000
1926	600,000,000
From 1927 to 1961 inclusive (34 years) annual payments of £600,000,000 each	20,400,000,000
Total payments (including interest and sinking fund)	£24,400,000,000

The present worth (as of May, 1921) of this series of payments is £9,400,000,000 or $47,000,000,000

BRITISH PROPOSALS (N.B.)

	STERLING
Cash Payment (up to May, 1921)	£ 1,000,000,000
1921–1926 not stated	
Thereafter, for a period of 33 years, annual payments of £600,000,000 each	21,800,000,000
Total payments (including interest and sinking fund)	£22,800,000,000

The present worth (as of May, 1921) of this series of payments is £11,000,000,000 or $55,000,000,000

N. B. The British proposals are in the form of a memorandum from Lord Sumner, the text of which is not entirely clear as to the total term of payments, nor to the present worth of such payments. No minimum proposals were submitted.

DOCUMENT 57.

Memorandum of progress with the reparation settlement, April 1, with Anglo-American draft of Reparations Clauses (typewritten copies).

April 1, 1919.

British, United States, French and Italian financial representatives met yesterday morning.

After preliminary discussion, the conference was adjourned, to enable Mr. Klotz to submit amendments to Mr. Lloyd George's proposals. Since then, the United States representatives and the British representatives have been in almost continuous session.

It has been agreed between them that Mr. Lloyd George's plan shall be in substance adopted, that is to say:

1. That Germany shall be compelled to admit her financial liability for all damage done to the civilian population of the Allied and Associated Powers and their property by the aggression of the Enemy States by land, by sea and from the air, and also, for damage resulting from their acts in violation of formal engagements and of the Law of Nations.
2. That a commission should be established to decide:
   (1) The value of the claims in the categories agreed by the Allies as falling within Germany's liabilities as above.
   (2) The total amount which Germany was capable of paying to satisfy these claims.
   (3) That the commission should report by the end of 1921, but should have power to modify, from time to time, the time and mode of Germany's payments subsequent to 1921.

(4) That payments should be made by an initial sum and annual instalments over a period of not more than thirty years.

It was further agreed that an interpretation document should be prepared, to be handed to the Germans as an explanation of what the Allied and Associated Powers regarded as the liabilities payment for which they were in a position to enforce under the above clause, subject to Germany's capacity to pay as determined by the commission. The United States and British representatives agreed that among the categories to be included should be the cost of pensions and the cost of damage to property.

It was understood that Mr. Lloyd George and Mr. Clemenceau have agreed that pensions shall be calculated on the French basis of payments.

In order to avoid the challenging and putting forward of doubtful claims, we think it would be expedient to agree at once between the Allies a proportionate distribution of all payments received from Germany.

We propose to meet further in order:

1. To draft the interpretation clause and to consider Mr. Klotz's amendments which are directed towards this end, and
2. To make proposals as to the proportionate distribution of receipts between the Allies.

Text Tentatively Agreed upon by the British and American Delegates.

1. The Allied and Associated Governments affirm the responsibility of the Enemy States for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of the enemy states.

2. The Allied and Associated Governments recognize that the financial resources of the enemy states are not unlimited and, after taking into account permanent diminutions of such resources which will result from other treaty clauses, they judge that it will be impracticable for

enemy states to make complete reparation for all such loss and damage. The Allied and Associated Governments, however, require that the enemy states, to the extent of their utmost capacity, make compensation for all damage done to the civilian population of the Allied and Associated Powers and to their property by the aggression of the Enemy States by land, by sea, and from the air.

(See Annex for interpretation clause prepared by the British.)

3. The amount of such damage for which compensation is to be made shall be determined by an inter-allied commission, to be constituted in such form as the Allied and Associated Governments shall forthwith determine. This commission shall examine into the claims and give to the enemy states a just opportunity to be heard. The findings of the commission as to the amount of damage defined in Article 2 shall be concluded and communicated to the enemy states on or before May 1st, 1921. The commission at the same time shall also draw up a schedule of payments up to or within the total sum thus due, which in their judgment Germany should be able to liquidate within a period of thirty years, and this schedule of payments shall then be communicated to Germany as representing the extent of her obligations.

4. The inter-allied commission shall further have discretion to modify from time to time the date and mode of the schedule of payments fixed in clause 3 and, if necessary, to extend them in part beyond thirty years, by acceptance of long period bonds or otherwise, if subsequently such modification or extension appears necessary, after giving Germany a just opportunity to be heard. Payment may be required and, with the approval of the commission, accepted in the form of properties, chattels, businesses, rights, and concessions in ceded territory; of ships, of gold and silver, of properties, chattels, businesses, rights and concessions, of bonds, shares and securities of all kinds, of foreign currencies or the cur-

rency of the enemy state, or of German Government bonds.

5. In order to enable the Allied and Associated Powers to proceed at once to the restoration of their industrial and economic life, pending the full determination of their claim, the enemy states shall pay in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the inter-allied commission may fix, in 1919 and 1920 the equivalent of $5,000,000,000 gold towards the liquidation of the above claims, out of which the expenses of the army of occupation, subsequent to the Armistice, shall first be met, provided that such supplies of food and raw materials as may be adjudged by the Allied and Associated Governments to be essential to enable Germany to meet her obligations for reparation may, with the approval of the Allied and Associated Governments, be paid for out of the above sum.

6. The successive instalments paid over by the enemy states in satisfaction of the above claims shall be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance, on a basis of general equity, and of the rights of each.

7. The payments mentioned above do not include restitution in kind of cash taken away, seized or sequestered, nor the restitution in kind of animals, objects of every nature and securities taken away, seized or sequestered, in the cases in which it proves possible to identify them in enemy territory. If at least half the number of the animals taken by the enemy from the invaded territories cannot be identified and returned, the balance, up to a total of half the number taken, shall be delivered by Germany by way of restitution.

The attention of the four Chiefs of the respective Governments is to be called to the following:

(a) That necessary guarantees to insure the due collection of the sums fixed for reparation should be planned; and

(b) That there are other financial clauses which this conference has not been charged to deal with.

ANNEX TO CLAUSE 2.

Personal Injury.

(1) Personal injury to or death of civilians resulting from military operations or mistreatment by the enemy.

Pensions.

(2) Damage to the civilian population resulting from the absence, incapacitation or death, in military service, of persons upon whom they are dependent and which damage is met by pensions or payments of like nature made by the State. (French scale to govern.)

Damage to Labor.

(3) Damage to civilians resulting from their being forced by the enemy to labor without just remuneration, or to abstain from labor.

Damage to Property.

(4) Damage to non-military property and property rights caused by military operations or illegal act of the enemy or war measures in the nature of requisitions or sequestrations, taken by the enemy.

Fines, etc.

(5) Damage in the form of levies, fines and other similar extractions imposed by the enemy upon the civilian population.

Violations of Law and Engagements.

(6) Damage resulting from acts in violation of international law (as found by the Commission on Responsibilities) and in violation of formal engagements.

Note: Where the State or other public authority has already itself made compensation for the damage, it may present the claim in its own behalf.

INTERPRETATION OF CLAUSE 2.

April 2nd.

Compensation may be claimed under Clause 2 under the following categories of damage:

I.

(a) Damage caused to civilian victims of acts of war (including bombardments or other attacks on land, on sea or from the air and all the direct consequences thereof and of all operations of war by the two groups of belligerents wherever arising) and to the surviving dependents of such victims.

(b) Damage caused to civilian victims of acts, cruelties, violence, or maltreatment (including injuries to life or health as a consequence of imprisonment, deportation, internment, or evacuation, of exposure at sea, or of being forced to labor by the enemy) committed or ordered by the enemy wherever arising and to the surviving dependents of such victims.

(c) Damage caused to civilian victims of all acts of the enemy in occupied, invaded or enemy territory, injurious to health or capacity for work or to honor and to the surviving dependents of such victims.

II.

(a) All pensions and compensations in the nature of pensions to naval and military victims of war, whether mutilated, wounded, sick or invalided, and to the dependents of such victims.

(b) Cost of assistance by the State to prisoners of war and to their families or dependents.

(c) Allowances by the State to the families and dependents of mobilized persons, or persons serving with the forces.

III.

Damage in respect of all property belonging to any of the Allied and Associated States or to any of their subjects, with the exception of military works or material, which has been carried off, seized, injured or destroyed by the acts of the enemy on land, on sea, or from the air, or damaged directly in consequence of hostilities or any operation of war.

DOCUMENT 58.

Letter of Norman H. Davis and Vance McCormick to President Wilson, April 4 (autographed original), with draft clauses, comments and reservations (typewritten copy).

AMERICAN COMMISSION
TO NEGOTIATE PEACE

April 4, 1919.

MY DEAR MR. PRESIDENT:

Supplementing our conversation with you of last night, we hand you herewith a schedule showing the basic text of the reparation clauses and categories of damage, together with the comment and reserves in regard thereto made by the representatives of the Four Powers who have been participating in the discussions.

These comments and reserves are taken from the record and may appear to you to be somewhat formidable. As a matter of fact we believe that serious question exists only with reference to Article 3, to which the French appear to make serious objection. There is also the hesitation of the British relative to the acceptance of the categories. We have reason to believe that the Italians are prepared to accept our text in toto.

Sincerely yours,

[*Signed*] NORMAN H. DAVIS
VANCE MCCORMICK

HON. WOODROW WILSON,
President of the United States,
Paris.

Reparation Claims.

TEXT.	BRITISH, FRENCH, ITALIAN AND U. S. COMMENT AND RESERVES.
1. The Allied and Associated Governments affirm the responsibility of the enemy States for causing all the loss and damage to which the Allied and Associated Governments and their nationals have been subjected as a consequence of the war imposed upon them by the aggression of the enemy States.	Article 1 is agreed to subject to: (a) Italian reserve with respect to substituting for "enemy States" where it first occurs, the word "Germany", thus proclaiming the liability of Germany for all consequences of the war of herself and her Allies; (b) French reserve as to political policy of incorporating Article 1 and the first half of Article 2, as this is in the nature of a preamble and might be omitted or placed in the general preambles of the Treaty.
2. The Allied and Associated Governments recognize that the financial resources of the enemy States are not unlimited, and, after taking into account permanent diminutions of such resources which will result from other treaty clauses, they judge that it will be impracticable for enemy States to make complete reparation for all such loss and damage. The Allied and Associated Governments, however, require that the enemy States, to the extent of their utmost capacity, make compensation for all damage done to the civilian population of the Allied or Associated Powers and to their property by the aggression of the enemy States by land, by sea, and from the air.	Article 2 is agreed to, subject to the observation of the French that the phrase "to the extent of their utmost capacity" is inconsistent with the 30-year limitation in Article 3. With regard to the parenthetical reference to categories, it is left undetermined as to whether these shall or shall not be incorporated in the first instance in the treaty as to be proposed to Germany. The British, French and Italians regard this as indispensable; the United States reserved their view as being a question of strategy to be subsequently decided.
(Reference to Categories may be inserted here.)	
3. The amount of such damage for which compensation is to be made should be determined by	Article 3 is agreed to, except as to France, which rejects the paragraph particularly in that it

an inter-allied commission, to be constituted in such form as the Allied and Associated Governments shall forthwith determine. This commission shall examine into the claims and give to the enemy States a just opportunity to be heard. The findings of the commission as to the amount of damage defined in Article 2 shall be concluded and communicated to the enemy States on or before May 1, 1921. The commission shall also, concurrently, draw up a schedule of payments up to or within the total sum thus due, which in their judgment Germany should be able to liquidate within a period of thirty years, and this schedule of payments shall then be communicated to Germany as representing the extent of her obligations.

does not insure the complete payment of the debt to be established in accordance with Article 2. The French contend that the Commission should be required to secure complete payment but have discretion so as to permit such proportion of this as may be necessary to be paid in marks and German internal bonds.

4. The inter-allied commission shall further have discretion to modify from time to time the date and mode of the schedule of payments fixed in clause 3, and, if necessary, to extend them in part beyond thirty years, by acceptance of long period bonds or otherwise, if subsequently such modification or extension appear necessary, after giving Germany a just opportunity to be heard.

Article 4 is accepted, subject to any modifications which might be required if Article 3 is changed in accordance with the French view.

5. In order to enable the Allied and Associated Powers to proceed at once to the restoration of their industrial and economic life, pending the full determination of their claim, Germany shall pay in such instalments and in such manner (whether in gold, commodities, ships, securities or otherwise) as the inter-allied commission may fix, in 1919 and

Article 5 is accepted by the British and Americans. The French and Italians propose the following alternative text:

"Germany shall pay, in such instalments and in such manner (either in gold, commodities, ships, securities or otherwise) as the inter-allied commission may fix, in 1919 and 1920, the equivalent of $5,000,000,000 gold, of

1920, the equivalent of $5,000,000,000 gold towards the liquidation of the above claims, out of which the expenses of the Army of Occupation subsequent to the Armistice shall first be met, provided that such supplies of food and raw materials as may be judged by the Allied and Associated Governments to be essential to enable Germany to meet her obligations for reparation may, with the approval of the Allied and Associated Governments, be paid for out of the above sum.

6. The successive installments paid over by the enemy States in satisfaction of the above claims shall be divided by the Allied and Associated Governments in proportions which have been determined upon by them in advance, on a basis of general equity, and of the rights of each.

7. The payments mentioned above do not include restitution in kind of cash taken away, seized or sequestrated, nor the restitution in kind of animals, objects of every nature and securities taken away, seized, or sequestrated in the cases in which it proves possible to identify them in enemy territory. If at least half the number of animals taken by the enemy from the invaded territories cannot be identified and returned, the balance, up to a total of half the number taken, shall be delivered by Germany by way of restitution.

N. B. The attention of the four chiefs of the respective Governments is to be called to the following:

which $4,500,000,000 shall be applied to meet the expenses of the Armies of Occupation and the reparation of damage above contemplated, and $500,000,000 shall be applied to the payment of supplies of food and raw materials, approved and controlled by the Allied and Associated Powers for the purpose of supplying Germany up to May 1, 1921."

Article 6 is agreed to, subject to the Italian reservation that in the event of the inability of the Allied and Associated Governments to agree upon a division of the reparation payments, the question shall be arbitrated by or under the direction of the President of the United States.

Article 7 is agreed to, subject to the British reservation of the word "cash" in the first sentence. The British have proposed that the propriety of including cash be decided by the American delegation. The French reserve the question of their willingness to accept such decision.

(a) That necessary guarantees to insure the due collection of the sums fixed for reparation should be planned; and
(b) That there are other financial clauses which this conference has not been charged to deal with.

ANNEX.

Compensation may be claimed under Article 2 for the following categories of damage:

(1) Personal injury to or death of civilians resulting from acts of war on land and sea and from the air or mistreatment by the enemy.

(2) Damage to the civilian population resulting from the absence, incapacitation or death of persons serving with the forces and which damage is met by pensions or allowances of like nature made by the State (French scale to govern).

(3) Damage to civilians resulting from their being forced by the enemy to labor without just remuneration or abstain from labor.

(4) Damage to or interference with non-military property, as from date of damage or interference, directly caused by acts of war on land and sea and from air, or illegal acts of the enemy or war measures in the nature of requisitions or sequestrations, taken by the enemy.

(5) Damage in the form of levies, fines and other similar exactions imposed by the enemy upon the civilian population.

(6) Damage resulting from acts in violation of international law (as found by the Commission on Responsibilities) and in violation of formal engagements.

Note: Where the State or other public authority has already itself made compensation for the damage, it may present the claim in its own behalf.

(These categories are accepted, subject to the following:

(a) British do not oppose, but state present instructions from Mr. Lloyd George do not permit them to accept all of the categories;

(b) French propose additional categories: (1) expense of relief to prisoners of war, (2) expense involved in repurchase of marks;

(c) Italians state they construe Category 6 to permit a claim for expense in providing defense against air raids and gas attack. Other delegations do not accept this construction).

DOCUMENT 59.

French memorandum, April 5, criticizing the Anglo-American draft of Reparations Clauses (carbon copy, translation).

April 5, 1919.

REMARKS OF THE FRENCH DELEGATION ABOUT THE SCHEME OF THE BRITISH AND AMERICAN DELEGATIONS

ARTICLE I.—The French Delegation makes all reserves concerning the political advisableness of asserting amongst the financial clauses of the treaty Germany's incapacity of discharging the whole of her debt.

ARTICLES II AND III.—The note brought forward by Mr. Lloyd George on the 29th of March 1919 and the memorandum of the British and American Delegation of the 1st of April asserted both the right for the Allied and Associated Governments of getting full reparation for all the loss and damage caused to the persons and to the property whatever may be the cost for the enemy states. But the terms of Article III were inconsistent with that principle, since they compelled the interallied commission to limit the amount of the payments to be made by the enemy by taking into account its financial capacity during 30 years. If, for instance, Germany's liability towards the Allied and Associated Governments, for compensating the damage defined in Article II, is found to be 50 billions of dollars, and if her financial capacity during 30 years is estimated by the interallied commission to be 40 billions of dollars, the indebtedness of Germany toward the Allies would be declared to amount to 40 billions instead of 50 billions of dollars. Therefore the fixing of the amount of the damage for which compensation is to be given

becomes useless, and [to] assert in Article II the principle of the complete reparation by the enemy leads only to misleading the peoples.

The Anglo-American scheme, in the new shape in which it was brought forward on the 3rd of April, leaves aside the declaration that the Allied and Associated Governments are entitled to get full reparation of the damage defined in Article II, by omitting the words: "At whatever cost."

It gives to the financial interallied Commission a double task: on the one hand it has to fix the total amount of the German debt, such as the Allied and Associated Governments have agreed upon; on the other hand it has to reduce that debt by taking into account Germany's eventual ability to pay in 30 years.

The French Delegation which has already admitted Germany's debt to be reduced to the amount of the war costs cannot now agree to a new reduction. This last one is based on the assumption; which it is impossible to verify; in 1921 as well as in 1919; on Germany's incapacity to discharge the whole of her debt in 30 years.

It is of a bad policy as well as dangerous concerning the people of the Allied and Associated Governments as well as the German people; to declare in one of the clauses of the treaty that the Allied and Associated Governments shall take into account Germany's eventual incapacity to compensate the damage for which she has herself admitted to be responsible by sigming the armistice of the 11th of November 1918.

It amounts to tempting Germany into declaring herself bankrupt and shifting to the allied populations, for generations, the burden which would be spared to the enemy.

It is contrary to the engagements taken by the four great Powers as well as to President Wilson's Points 7 and 8, to admit that Germany may restore neither Belgium nor the invaded territory.

It is contrary to the principles of Laws to admit that a debt may be considered as cancelled or remitted because the debtor could not discharge it in a fixed amount of time.

Such being the case, the rule is that delays of payments ought to be granted to the debtor. Therefore it is necessary to do away with the 30 years limit.

The French Delegation gets back, in Article 2, to the wording proposed the first of April by the British and American delegations.

As for remainder of Article 2 the French Delegation calls the attention to the necessity of inserting immediately, at least as an annex, the list of the categories of damage. If not, the financial interallied Commission shall have to deal continually with Germany's disputes, when the time shall come for her of fulfilling her obligations.

It is to be added that the Commission ought to be given full executive powers.

ARTICLE IV.—The wording of the first paragraph of Article IV depends from the wording of Article III in fine.

ARTICLE V.—It is of a bad policy as well as dangerous, after having declared to the populations of the invaded countries, that Germany, in order to allay their sufferings, shall pay a provision of 5 billions of dollars, to add that she may charge on that sum, beyond the expenses of the armies of occupation, all supplies of food and raw materials which shall be granted to her.

It amounts practically to reducing to nothing the advantage promised to those unhappy populations, by presenting them with a tumbler such as all the liquid poured into flows immediately away through a hole:

It amounts to adding to the provision asked from Germany sums which shall be spent for her own advantage.

It amounts to tempting Germany not to make any endeavor for paying through her labor as represented by her exports.

M. CLEMENCEAU:

I do not accept that the Commission should have power to declare the capacity of payment of Germany. I would say this: Germany owes me X for damages to persons and property. The governments will have the

right to reduce that sum in the course of years if they deem it just. But we are not prepared to accept any reduction now. We shall see what is possible and what is not, we shall take into account the question of accumulated interest (we may have to abandon our claim to interest altogether). We are willing to let the door open to every liberal solution.

But I ask, in the name of the French Government, after consultation with my colleagues, that what the enemy owes to us should be declared (if not by means of sum, at least by determining categories of damages to be compensated for). We shall retain our faculty of allowing time to pay. Let us fix a limit of 30 years, as thought desirable by most of us. If everything has not been paid for after 30 years, then the Commission will have the right to extend the period.

CATEGORIES OF DAMAGE.

As to categories of damage the French Delegation accepts the draft submitted on April 3rd by the American Delegation, suggesting only that the two following clauses be added:

(1st) Damage arising, for the Allied Powers, out of the necessity of redeeming the securities and generally speaking all credits expressed in enemy currency belonging to the inhabitants (corporations or individuals) of the invaded territories, or belonging to prisoners of war or civilians interned.

(2nd) Cost of upkeep, by the Allied Powers, of enemy prisoners of war, officers or soldiers, and of interned enemies (this category had been accepted by the American Delegation on April 2nd).

GUARANTEES.

The guarantees have not been studied, the American and British experts having stated that they had no powers to discuss the subject.

They ought to be determined in the shortest delay.

DOCUMENT 60.

French memorandum (printed; no date) submitted to the Economic Commission, on permanent economic relations, together with draft clauses for the treaty of peace. In French: translated by Dr. J. V. Fuller.

PRELIMINARY PEACE CONFERENCE.

ECONOMIC COMMISSION.

PROJECT.

Presented by the French Delegation to the Commission of the Peace Conference concerning the economic régime.

. . . . . .

The French Delegation having sought for the general idea expressed in:

1. President Wilson's third point, as follows:

"The removal, so far as possible of all economic barriers, and the establishment of an equality of trade conditions among all the nations consenting to the peace and associating themselves for its maintenance."

2. Article 21 of the Covenant of the League of Nations adopted by the Peace Conference on President Wilson's proposition, which is as follows:

"Nothing in this covenant shall be deemed to affect the validity of international engagements such as treaties of arbitration or regional understandings like the Monroe Doctrine, for securing the maintenance of peace."

3. The programme of work for the Commission adopted by the Delegates of the Great Powers on February 21,

Submits the following propositions to the examination

of the Peace Conference as the basis of the new economic State, composed, to begin with, of the Allied Countries, and later of all the peoples admitted into the League of Nations:

DECLARATION.

In conformity with Article 23 of the Covenant of the League of Nations, the Conference has decided to establish a special Commission of the League of Nations "to secure and maintain freedom of communications and of transit and equitable treatment for the commerce of all members of the League," as well as to insure the observance of the special arrangements which may be taken in consequence of the needs of regions devastated during the war of 1914–1918."

PROPOSITION.

1. During the period of economic restoration of the world, especially difficult for countries which have suffered devastation by the enemy, it is proper that the Allied and Associated peoples, who have carried on together the war against the common enemy, should retain the right to take all tariff and fiscal measures required for their own economic revival.

2. During this period, the Allied and Associated Countries will render to each other all the collaboration necessary to shorten its duration. They will study, on the basis suggested by the League of Nations, the measures to be taken with a view to hastening the re-establishment of world economic equilibrium and normal conditions as regards production and expansion in the case of each.

3. In order to put an end, as far as possible, to economic rivalries among the nations in the search for raw materials, suppress the numerous causes of economic rivalry which endanger the peace of the world, and neutralize the natural economic inequalities resulting from the geographic distribution of wealth throughout the world, the Allied and Associated Countries agree that henceforward the raw materials of industry shall be free of both import and export duties.

These raw materials are as follows:

Undressed hides and skins;
Wool in bulk or on skins;
Unfinished hair and bristles;
Silk in cocoons, raw silk, silk-floss or in bulk;
Natural and artificial fertilizers;
Gums in their raw state, rubber, guttapercha;
Undressed timber;
Rough cork;
Raw cotton;
Flax, hemp, jute and other fibrous plants in their raw state;
Mineral ores;
Iron, Copper, Zinc, Tin, Nickel, Gold, platinum, silver — in lumps, ingots, pigs, or cathodes;
Mercury;
Arsenic;
Filings, scales, chips, and waste of all metals and their alloys;
Stone and earths used in the arts and crafts;
Pit coal;
Oleaginous seeds and fruits used in other industries than those of food products.

Food and forage products are not included in this list, in recognition of the vital necessity for each country to assure its own food supply at all times and in the largest possible degree through its national agriculture and stock raising.

4. Nevertheless, each of the Allied and Associated Countries reserves the right to regulate by internal measures the exploitation of its national resources, with a view to preventing their too rapid depletion.

5. In order to safeguard the loyalty of commercial transactions, each of the Allied and Associated Countries agrees to prohibit the entrance into its territory, the

circulation in transit, and the export of products or goods bearing marks, signs, or indications of such as would cause them to appear to have an origin or source other than their real origin or source.

Each of the High Contracting Parties is forbidden to permit the manufacture or sale in its territory, under a name indicating origin, of products which have not—by reason of their composition—an integral right to that designation.

6. The Allied and Associated Nations agree to take, each on its own territory, all necessary measures to frustrate manœuvres such as dumping or other action resulting in distortion of the export sale price.

SPECIAL CLAUSES TO BE IMPOSED ON GERMANY.

In the preliminaries of peace and likewise to be inserted in the treaty of peace with the other enemy powers.

ARTICLE ONE.—The German Government undertakes not to subject goods, raw or finished products of the territories of any of the Allied and Associated States imported into the territory of Germany, as determined by the Peace Conference, from whatever place arriving, to duties or charges other or higher than those to which are subjected the same goods, raw or finished products of any other of the said States or of any other foreign country.

The German Government will not maintain or impose any prohibition or restriction on the importation into German territory, as above defined, of any goods, raw or finished product, of the territories of any of the Allied and Associated States, from whatever place arriving, which does not apply equally to the importation of the same goods, raw or finished product of any other of the said States or any other foreign country.

ARTICLE TWO.—The German Government undertakes, in addition, to establish no discrimination as regards the treatment of imports, even by indirect means, such as the regulation of customs procedure, or administrative methods of classification or interpretation of tariffs.

ARTICLE THREE.—As regards export, the German Government undertakes not to impose on goods, raw or finished products exported from German territory into the territories of any of the Allied and Associated States duties or charges other or higher than those paid on the same goods exported to any other of the said States or any other foreign country.

It will not maintain or impose any prohibition or restriction on the export of goods from German territory into any of the Allied and Associated States which does not apply equally to the export of the same goods, raw or finished products into any other of the said States or any other foreign country.

ARTICLE FOUR.—The German Government undertakes not to take any measures which, directly or indirectly, would have the effect of preventing or even hindering the free transit across German territory of products or goods coming from one of the Allied and Associated Countries and bound for any other country.

ARTICLE FIVE.—The German Government undertakes to prohibit, prevent, or counteract all manœuvres such as dumping or other proceeding, having the effect of interfering with the normal course of competition by lowering the sale price for export.

ARTICLE SIX.—By reason of the devastations committed by Germany on the territory of certain of the belligerent countries, the effect of which is to render especially difficult and to delay the economic restoration of these countries, the latter reserve the right to impose an export duty on such of their raw materials as are shipped directly or indirectly to destinations in German territory.

ARTICLE SEVEN.—In order that Germany may not prevent or retard, by the use of the undamaged means of production at her disposal, the material reconstruction of the industries she has destroyed on the territory of countries where she has carried on war, the importation of raw materials into German territory and the exportation of manufactured products from those territories is placed: (a) for the duration of the Preliminaries of Peace, under the control of the Allies; (b) ultimately,

that is to say after the ratification of the Treaty of Peace, under the control of the League of Nations.

ARTICLE EIGHT.—For a period of ten years dating from the ratification of the Preliminaries of Peace, manufactured products coming from the territories of Alsace-Lorraine reunited with France shall be received into German territory free of all customs duties.

The French Government shall fix every year, by decree communicated to the German Government, the kind and quantity of the products to enjoy this exemption.

ARTICLE NINE.—The above stipulations shall be subject to revision by the Council of the League of Nations; but that revision may not take place within a period of five years after the ratification of the Treaty of Peace.

DOCUMENT 61.

Draft convention submitted to the Aeronautical Commission by the American members, Rear-Admiral H. S. Knapp and Major General Mason M. Patrick (carbon copy).

AMERICAN.

ARTICLE 1.—The Contracting States recognise the full and absolute sovereignty and jurisdiction of every State in the air space above its territory and territorial waters.

ARTICLE 2.—The Contracting States recognise the right of every State to establish such regulations and restrictions as appear to the State to be necessary in order to guarantee its own security or that of the lives and property of its inhabitants, and its right to exercise such jurisdiction and supervision as will secure observance of its municipal legislation. These regulations shall be imposed on foreign aircraft without discrimination, but it is agreed that any one Contracting State may refuse to accord to the aircraft of any other Contracting State any facilities which the latter does not itself accord under its regulations.

ARTICLE 3.—Each Contracting State shall have the right to impose special restrictions by way of reservation or otherwise with respect to the public conveyance of persons and goods between two points on its territory.

ARTICLE 4.—Each Contracting State undertakes in time of peace to accord the liberty of innocent passage above its territories to the aircraft of the other Contracting States, subject to the conditions established by this Convention.

ARTICLE 5.—Each Contracting State has the right to

prohibit the aircraft of other Contracting States from flying over certain zones of its territory.

If a State exercises this right, it must publish and notify beforehand to the other Contracting States the location and extent of the forbidden zones. All of the aircraft of a State except those belonging to its military establishment and other state-owned aircraft engaged in public business, shall be excluded from any zones which are forbidden to foreign aircraft.

ARTICLE 6.—Every aircraft which finds itself over a forbidden zone shall at once give signal of distress provided for in Article of the regulations annexed hereto, and as soon as possible shall land at a station outside the prohibited zone but as near as possible thereto and within the territory of the State within which the prohibited zone is located.

Any aircraft when called upon to land by signal or otherwise, must do so at once. Each state shall publish and notify to the other Contracting States the landing signals adopted by it.

ARTICLE 7.—The present Convention applies solely to aircraft possessing the nationality of a Contracting State. No Contracting State shall, except by special and temporary authorization, permit any aircraft to fly over its territory unless such aircraft does possess the nationality of a Contracting State.

ARTICLE 8.—An aircraft shall possess the nationality of the State upon which official register it is borne. Every aircraft of a Contracting State which leaves its jurisdiction and enters the jurisdiction of another Contracting State shall be borne upon the official register of the State whose nationality it possesses. No aircraft of a Contracting State shall be permitted to enter the jurisdiction of another Contracting State unless it belongs wholly to nationals of a single Contracting State.

Joint Stock Companies, Limited Liability Companies, and all other incorporated or associated bodies shall be considered nationals of the State under the laws of which they are created. At least two-thirds of the stock of all such companies which operate aircraft in inter-state

traffic shall be owned by nationals of the State under the laws of which they are created, and all of their directors shall be nationals of such State.

ARTICLE 9.—So long as an aircraft possesses the nationality of one of the Contracting States in accordance with Article , no other State shall confer its nationality upon it. In cases where the home station of an aircraft is in the territory of a Contracting State whose nationality it does not possess, the latter State shall be immediately notified of its registration by the State in which it is registered.

ARTICLE 10.—The Contracting States will exchange and will forward to the Permanent International Aërial Commission every month lists of new entries on their registers and of the annulment of entries made on their registers during the preceding month.

ARTICLE 11.—The aircraft of a Contracting State when within the jurisdiction of another Contracting State must bear their nationality and registration marks and the name and address of their owners.

ARTICLE 12.—Every aircraft which passes from the jurisdiction of the State whose nationality it possesses into the jurisdiction of another Contracting State shall be provided with a certificate of airworthiness issued or authorized by the State whose nationality it possesses.

ARTICLE 13.—All Commanding Officers, pilots, engineers, and other members of the operating crew of an aircraft of a Contracting State which passes into the jurisdiction of another Contracting State must be provided with certificates of their competency and licenses issued or authorized by the State whose nationality the aircraft possesses.

ARTICLE 14.—Certificates of airworthiness and certificates of competency and licences issued or authorized by the State conferring nationality upon an aircraft will be recognized as valid by the other Contracting States provided they are issued in accordance with the conditions of this Convention and the regulations appended thereto.

Each Contracting State shall have the right to refuse

to recognize certificates of airworthiness or certificates of competency or licenses issued to any of its own nationals by another Contracting State.

Such non-recognition shall immediately be notified to the State which had issued the certificates and to the State where the aircraft has its home station.

ARTICLE 15.—Every aircraft engaged in inter-state navigation must carry:—

(a) A certificate of nationality.
(b) A certificate of airworthiness.
(c) Certificates of competency and licenses for its operating crew.
(d) If merchandise is carried, a bill of lading and a manifest.
(e) A log book.

ARTICLE 16.—All aircraft log books shall be kept for two years after the last entry and shall be presented when demanded by the public officials of any Contracting State within whose jurisdiction the aircraft may be.

ARTICLE 17.—The proper authorities of a Contracting State shall verify the documents which its aircraft must carry and it is their duty to verify the quantity, quality, weight and measure of any merchandise carried and to furnish the manifest.

ARTICLE 18.—Each Contracting State agrees to take all necessary measures to assist aircraft in distress.

ARTICLE 19.—Each Contracting State agrees to allow aircraft belonging to other Contracting States to land on all landing fields in its territory which are available for general use by its own nationals. The landing charges and charges for sojourn will apply equally to all aircraft of the other Contracting States without distinction on account of nationality.

ARTICLE 20.—Transportation by aircraft of explosives, arms and ammunition, and of any other dangerous material is prohibited in international traffic.

ARTICLE 21.—Each Contracting State has the right to prohibit the use of photographic apparatus above its territory, and also the right to develop any films or plates found on board an aircraft, and the right to take posses-

sion of any apparatus and plates which have been used above its territory.

ARTICLE 22.—The following will be considered as state-owned aircraft:—

(a) Military aircraft.
(b) Aircraft used for State service other than military, such as customs and postal service, police, etc.
(c) All other aircraft which are the property of the State.

All other aircraft are considered as private aircraft.

ARTICLE 23.—Without special authorization which may be granted by any Contracting State, military aircraft belonging to one Contracting State will not enter the jurisdiction of another Contracting State. Any military aircraft which finds itself, or which without such authorization is found, within the jurisdiction of a Contracting State shall be subject to all of the conditions contained in this Convention.

ARTICLE 24.—There shall be created under the name of a central office at . The expenses connected therewith shall be borne by the Contracting States in such proportions as shall be fixed by the permanent Commission provided for in Article .

ARTICLE 25.—This bureau shall be under the control of a permanent commission consisting of two representatives each of the United States, France, the British Empire, Italy and Japan, with five other representatives nominated by the remainder of the Contracting States.

This Commission is empowered to collect, collate, publish and distribute information of every kind concerning aërial navigation; to render opinions upon questions in dispute at the request of the Contracting States concerned; to examine proposals for any modification of the provisions of this Convention; to recommend such modifications as may seem necessary; in general, to conduct such investigations or carry on such other work as may be for the benefit of the international aërial traffic of the Contracting States.

ARTICLE 26.—To this Convention there are attached

regulations which have the same force and effect as the convention itself and which will be put in force at the same time. The provisions of this convention and of the attached regulations may be modified at any time after agreement between the Contracting States.

DOCUMENT 62.

Cablegram of Postmaster General A. S. Burleson to President Wilson (forwarded through Secretary Tumulty, March 14), regarding American policy and control of international cable lines.

CIPHER CABLE

THE WHITE HOUSE
Washington No. 11

THE PRESIDENT,

March 14; 8 P. M. Following from Postmaster General:

"I beg to suggest following for incorporation in peace treaty or separate treaty or treaties: 'In order that the cable service of the world may be properly developed and made available to the countries signatory hereto, under proper and reasonable regulation and supervision consistent with sovereign rights, and such as will not interfere with the transaction and privacy of business in normal times, insuring priority to government business and equality in all commercial business; each country signatory hereto will give to duly authorized corporations of other countries reciprocal rights to land and operate cables, erect open stations, with the right and authority to arrange for and to operate lines exclusively for business in transit to interior or exterior points. Each country may respect exclusive landing rights, concessions or transit rights heretofore made and now existing, but no concessions, landing or transit rights inconsistent with the obligations herein assumed shall be hereafter made.'

"As showing importance attached by England to the control of cables, I quote from recent issue of [London] *Standard:* 'Too speedy relaxation of the censorship of commercial messages might work great injury to Allied inter-

ests. That the secret of its potency is in the fact that it gives power to survey the trade of the world and as a result of that survey to facilitate those activities which are to the interest of the Allies and impede those which are not. That the maintenance of control of the cables will enable us to prevent our enemies from cornering the markets of the world against us by making contracts for post bellum delivery. That it is essential that during the reconstruction period the powerful weapon of cable control should not be wholly scrapped. Thanks to the present administration, the commercial interests of the country (England) demand that it should in some form continue to exist.'

"This indicates the reliance that commercial England puts upon cable facilities in connection with items of commerce.

"Without quick, reliable intercommunication, foreign commerce cannot be built up. Our ships and merchant marine now have to depend upon the courtesy of foreign controlled means of communication to get home connections. The world system of international electric communication has been built up in order to connect the old world commercial centers with that world business. The United States is connected on one side only. A new system should be developed with the United States as a center. This would give the United States business a determined communication with all the trade of the world, and all the countries direct communication with the United States, instead of over the present indirect expensive foreign-controlled lines. There should be an international comity or reciprocal arrangement by which the electric carriers of communication should have under proper regulation the same rights that citizens, ships, mails and parcels have of landing and transit."

[*Signed*] TUMULTY.

DOCUMENT 63.

Memorandum on cables and radio, submitted to President Wilson by Walter S. Rogers, communications expert of the American Commission to Negotiate Peace on February 12th, 1918 (typewritten original, with autographed letter).

MEMORANDUM
ON
WIRE AND RADIO COMMUNICATIONS

Paris,
12 February, 1919.

SYLLABUS.

Letter of Transmittal
General Statement Relation Wire and Radio Communication to League of Nations
Immediate Communication Problems before Peace Conference
Radio: Present Importance as Means of World Communication; Need for Broad Statesmanship and Constructive Policy
Cables: Present Obstacles in the Way of Cable Extension and Suggestions for Their Removal
Disposition of German Cables Seized During War
Proposal for International Ownership and Operation of Trans-Pacific Cables
Suggestions for Incorporation in Programme of League of Nations to Meet Present Day Communication Needs
Conclusion

Paris, 12 February, 1919.

DEAR MR. PRESIDENT:

Herewith I hand you a discussion of an important matter bearing on the Peace Conference and the proposed League of Nations, namely, international communications by wire and radio.

The world-wide distribution of your addresses and of other American news has played a considerable part in bringing the war to a conclusion, in clearing the way for a common understanding, and in conveying to the world America's purposes and ideals.

This work had to be done by a government agency, as outside a few metropolitan centers and two or three countries, the press of the world cannot afford a foreign news service adequate to place the reader in contact with world activities.

A League of Nations exercising power through appeal to the public sentiment of the world, may fail unless provision is made for its reports being distributed promptly throughout the world. Certainly no public document, however important, if merely handed to the press will receive anything like universal textual publication. Most of the world will receive but hastily made summaries.

When communication facilities are lacking, an opportunity is left for growth of international misunderstanding.

When communication facilities are controlled by one nation which gives its commerce and its press preferential service or rates, misunderstandings are sure to arise.

The attached memorandum contains constructive suggestions aimed to prevent animosities growing out of unfair use of communication facilities, or arising from a lack of facilities, and to provide for the generous flow of intelligence in all directions.

I am,

Yours respectfully,

[*Signed*] WALTER S. ROGERS.

GENERAL STATEMENT.

The conception of a League of Nations includes not only a central organization endowed with power, but behind that organization a world of people acquainted with each other, cognizant of each other's needs and problems.

Barriers to the flow of news from nation to nation due to lack of communication facilities, to prohibitive charges, to preferential or discriminatory services or rates, to private or national efforts to "guide" the character of news, should be removed in the general public interest.

The ideal is a world-wide freedom for news, with important news going everywhere. The breaking down of existing barriers resulting from selfishness, chauvinism or a lack of vision is but part of present day needs.

There is a call to the imagination and organizing talents of the press of the world to develop the business of news gathering and distribution to the point where the individual newspaper reader in the remotest nook will have daily before him interesting items from all over the world. The newspaper man himself must carry with him a vision of a world reading newspapers—a world in which more and more political power is passing to the common man.

There is also a call to the newer world statesmanship not only to further the breaking down of barriers, but actively to assist in the development of wire and radio communications. Science stands ready to do its part.

Not only is the flow of intelligence in the form of news mainly dependent on quick transmission, but shipping and trade and finance are becoming more and more associated with telegraph, cable, and radio communication. Fraught with danger is a situation in which the commerce of some nations languishes through lack of means of communication, while the commerce of others is subventioned through control of communication facilities. And there must be direct, unhampered communication lest suspicion lurk that intermediaries profit by trade information passing through their hands.

Immediate Communication Problems before Peace Conference.

Specific questions having to do with telegraph, cable and radio come up in connection with the terms of the peace treaty itself:

I. Germany owned an extensive cable system which was seized by the Allies early in the war. There were two German cables between Germany and the United States via the Azores.

There is an extensive German cable system in the South Atlantic.

Another German cable extends from Shanghai to Yap to the Celebes, where it connects with cables owned by the Netherlands. A short cable connects Yap and Guam.

II. Germany owns cable-laying and repair ships. A German cable-laying ship is interned in Spain. Both types of ships are needed by the British and the American cable companies.

III. Provision will have to be made for the ultimate reëstablishment of radio communications between the enemy countries and the balance of the world. In this connection it should be kept in mind that Germany can communicate by radio with the Far East and with America.

IV. Provision will have to be made for the reëstablishment of interrupted telephone, telegraph and cable services.

V. In any disposition of the German colonies their possible availability as cable landing points and as sites for radio stations should not be overlooked.

RADIO.

It is quite possible to erect a radio station so powerful that its signals can be read all over the world. As receiving apparatus is inexpensive and requires no great space, there is no technical reason why a radio message broadcasted cannot be intercepted in every house in the world.

It remains to be seen whether statesmanship has the imagination to grasp the possibilities of such an agency.

The exigencies of the war furnished an extraordinary impetus to radio development. Illimitable possibilities loom ahead.

Here is a new tool for the use of the civilized world. A *laissez-faire* policy may result in slow progress, confusion, and a monopolistic control, with selfish interest rather than the general good of humanity furnishing the directive motive.

There is little ground for belief that in the foreseeable future radio will render the cable obsolete. There is the distinct danger, however, that radio exploitation and hit-or-miss competition may cause capital to hesitate from financing cable extensions. Both the radio and the cable has its own sphere and each will act as a feeder to the other.

Radio from ship to ship and between ship and shore gives a service important for convenience, commerce, safety, and navigation. Such radio service ought always to be available, quite apart from any prospects of direct profit making.

High-power radio, with its unlimited possibilities for broadcasting messages to the ends of the earth, presents a startling opportunity for disseminating intelligence.

Its availability for permitting direct communications between inland nations and those far beyond their immediate neighbors should not be overlooked.

The full utilization of the possibilities of high-power radio raises a series of problems requiring the highest organizing ability joined to world-wide perspective. While direction sending and other technical improvements are being worked out, the demand for communication facilities is likely to keep ahead of the scientists.

Countries far distant from the great centers should be provided not only with receiving apparatus, but with sending stations capable of reaching a high power station, which in turn can re-send messages. Such facilities should be established quite apart from possibilities of financial gain.

The working out of such a comprehensive system of

radio communication, the making of schedules, the standardization of practice, and so forth, goes beyond the possibilities of private enterprise or of the interest of any one nation.

It is therefore suggested that each of the nations should nationalize its radio facilities, and that the nations of the world acting together develop a truly world-wide radio service. National ownership is in accord with the general trend in this field.

A start can be made by approving radio relations which have been formed during the war, and by providing for an exchange of government messages by radio for the League of Nations and between the members of the League. Next a comprehensive plan can be devised for transmitting commercial press messages at low, uniform rates, so that the people of the world may have the opportunity of becoming informed regarding each other. Later arrangements can be made for transmission of general commercial and private messages.

Such an arrangement for development and control of radio will not injure the cable companies, but will stabilize communications, provide fair competition, and through such competition afford the regulation now so lacking over cable rates and services. Such an arrangement offers great advantages to the cable companies, for as against some such an arrangement, they are confronted either with going into the radio field, or withstanding a disorganized and possibly demoralizing competition.

Such an arrangement also provides the necessary basis for exchange of traffic between different modes of communication, and insuring continuous communication even when one channel of communication is interrupted.

CABLES.

Part of the present cables of the world are privately owned and part governmentally owned. Because of their international aspects privately owned cables have largely escaped the supervision that has been imposed upon other public utilities. Cable systems have grown

up by extension. No attempt has been made to develop cable communication from a comprehensive world viewpoint. Cable tariff rates have grown up like "Topsy" and are in some instances excessive and discriminatory. Many places which should be connected by direct cables are not.

Great Britain early saw the political and commercial importance of cable communication, particularly the desirability of linking together the British Empire by cables. Naturally enough, British cable systems were built with British interests primarily in view. As Germany became a factor in world trade that country undertook cable development. The only important cable manufacturing establishments are in England and Germany. Both these countries realize that the extension of foreign trade and the development of communication facilities must go hand in hand.

The suggestion has been made that the important cables of the world be internationalized and put under the control of the League of Nations, and that the League undertake the development of cable communication for the general welfare. Beyond its political aspects this suggestion opens up a wide vista of administrative and financial problems.

No attempts will be made here to discuss the arguments in favor of such a proposal or to enumerate the many difficulties in the way. This memorandum is presented with a view to suggesting readily worked out possibilities for extending means of communication along already established lines. However, cable communication between the Orient and America presents a distinct problem, and the internationalization of transpacific cables is recommended. This subject is discussed in a separate section.

Far-seeing cable officials, anticipating competition from radio and a greatly increased demand for communication facilities, realized that they must extend their operations and must pass from a basis of a limited amount of traffic at high rates to a basis of a huge volume of business at low rates. As a cable official put it, "We should

give such service as to make obsolete the letter between Europe and America."

There are certain obstacles to cable development—

(a) The fear of future ruinous competition from radio: This point will be discussed in a section on radio.

(b) Exclusive landing rights: Obviously in a world which needs more and more communication facilities exclusive landing rights, resulting, as they do, in monopolies and consequent inadequate service and high rates, should no longer be tolerated. Existing exclusive cable landing rights should not be renewed, and wherever power exists to revoke such exclusive rights, the power should be exercised.

(c) Hesitancy to cable touching intermediate countries: Cable messages between two countries that pass through a third country in transit should not in peace times be subject to inspection or control by the third country. In times of war neutrals should have the right to relay their cables so as to avoid control on the part of any belligerent. As an illustration of the bearing of these points, the cable from Vancouver to the Fanning Islands is too long for the most effective use. From the standpoint of good technical practice the cable should touch en route at the Hawaiian Islands. This British cable, however, does not touch the Hawaiian Islands because of the possibility of the American Government at some time undertaking to interfere with its operation.

(d) Lack of Land Line Extensions: Cable companies and government owned cables should be allowed land line extensions, not carrying local business and not competing with local telegraph systems, to central points within or beyond a given jurisdiction. Inland countries would thus be given freedom from dependence upon their neighbors for communication with parts of the world beyond.

Such an extension of cable service will greatly stim-

ulate cable traffic and further the extension of cable facilities. Important inland places will be provided with direct cable communications.

(e) Unfair practices: There should be uniform published rates, no discriminations, no rebates, no special or wholesale rates. The principle of low rates for press matter should be applied to all cable companies.

(f) Refusal to exchange business: Every cable and telegraph administration should be compelled to exchange business with every other administration. All traffic agreements should be made public. No exclusive or preferential agreements should be allowed.

(g) Lack of government spur: The great nations should commit themselves to encourage extensions and technical improvements.

Disposition of German Cables Seized during War.

If the League of Nations is given any jurisdiction over cables, the disposition of the German cables should be determined in the light of that jurisdiction.

GERMAN CABLE SYSTEM OF NORTH ATLANTIC.

Before the war there were two good German cables between Germany and the United States via the Azores. Both were cut. One now extends from Canada to England via the Azores; the other, in possession of the French, extends from the United States to the Azores, but the cut section beyond the Azores has not been connected with France.

The two German cables were the only means of cable communication between Germany and the United States, other than through England or France, the latter route being unimportant, as the two French cables are poor in quality and inefficiently operated.

Leaving these German cables in their present ownership not only penalizes Germany but injures the United States.

The United States has undoubted claims to those

portions of these cables lying within the territorial waters of the United States.

In the landing permits granted for these cables, the United States reserves the right to modify or to revoke such landing permits.

The United States might well insist in its own interest on the return of these cables to their original location or at least upon being left in such position that other cables may be laid between the United States and Continental Europe. For this latter purpose it is required that the exclusive landing rights for the Azores held by a British company should be cancelled and that Great Britain and France should each agree to permit the landing of cables between the United States and Continental Europe when such landings are necessary for relay purposes and agree not to exercise any supervision or scrutiny over messages in transit through such relay stations, and to further agree not to attempt to regulate the services or charge on messages in transit over such cables.

GERMAN CABLE SYSTEM IN SOUTH ATLANTIC.

This cable system extends from Germany to the Canary Islands and thence to various points on the west coast of Africa and from Monrovia to Pernambuco.

Brazil has an immediate interest in this cable system. As American cable companies are extending to Brazil, the United States also acquires a direct interest.

Whatever disposition is made of the German South Atlantic cable system, whether returned to Germany, turned over to some other country, leased or sold, the transaction should carry with it stipulations requiring a waiver of all exclusive rights, full publicity for all its transactions and agreements, prohibition of any preferential treatment as to rates or service, and an agreement to submit to full regulatory control, including fixing of rates, by the League of Nations.

GERMAN CABLE SYSTEM IN THE PACIFIC.

This system extends from Shanghai to Yap thence to the Celebes where it connects with a cable system owned

by The Netherlands, which in turn connects with cable systems extending to Australia and to India and beyond. A short cable connects Guam and Yap. The system is of great commercial and political importance.

Upon the seizure of Yap by the Japanese this cable system became dominated by that country.

While the ownership of the cable does not follow necessarily the ownership of the island of Yap, nevertheless the possession of the island carries with it a considerable measure of control over the cable.

Were the island and cable left in the control of the Japanese, that country would no doubt lay a cable direct from Japan to Yap and give her commerce and press special rates and services. Such a course of action would stir up innumerable animosities and might be a contributing cause to serious international difficulties.

The Japanese government owns and operates cables and is alert to the political and commercial value of controlling communications. It is quite possible that Japanese eagerness for the former German islands north of the equator is partially stimulated by a desire for control of the German cable system.

The following suggestions are offered:—

1. International ownership and operation of this cable as part of an international Trans-Pacific cable system. This suggestion is discussed in a separate section.

If this suggestion is not adopted:—

2. That whatever the fate of the island of Yap may be, that under proper guarantees the cable system be turned over to The Netherlands, as the system is in a way an extension of the cable system now owned and operated by that country.

3. If by any mischance the cable should fall into Japanese control, before consent is given, Japan should be compelled to agree to grant cable landings on Japanese territory; to agree to exchange business with all cable and radio administrations on equal basis and to cancel any exclusive landing rights or privileges that Japan may have in Continental Asia; and further to agree to permit cable landings on any of the islands taken over.

4. Whatever disposition is made of the German Pacific Cable system, whether returned to Germany, turned over to some other country, leased or sold, the transaction should carry with it stipulations requiring a waiver of all exclusive rights, full publicity for all its transactions and agreements, prohibition of any preferential treatment as to rates or service, and an agreement to submit to full regulatory control, including fixing of rates by the League of Nations.

While it may be advantageous for the United States to own and control this cable system, so long as it is not the established policy of the United States to own and operate cables, there is not much point in seeking a remote cable system.

GERMAN CABLE LAYING AND REPAIR SHIPS.

These ships should be turned over jointly to Great Britain and the United States, as these two countries can make the greatest use of them.

Proposal for International Ownership and Operation of Transpacific Cables.

The lack of adequate cable facilities across the Pacific not only retards the development of business but prevents the peoples of the countries concerned coming to understand each other.

Very little Chinese or Japanese news reaches the American press. Prior to the establishment of an American government news service to the Orient, the Chinese and Japanese press received less than a hundred words a day from America. This small amount contained a high percentage of sensational news. The periodic Japanese outbursts against America are to some extent explained by the character of the news reaching Japan.

No greater contribution can be made to Japanese-American relations than the making possible of a generous exchange of news between the two countries. Japan is almost as much a newspaper reading country as is America.

There are two cables crossing the Pacific. The Com-

mercial-Pacific Company's cable extends from San Francisco to Honolulu to Guam; from Guam a cable extends to Peel Island where it connects with a Japanese government cable; from Guam another cable extends to Manila and thence to Shanghai.

The rates charged by the Commercial-Pacific Cable Company are extortionate. From New York to Manila the rate is $1.12 a word; New York to Tokyo $1.33; New York to Shanghai $1.22.

It is actually cheaper to cable from New York to London and thence from London to the Orient via the Mediterranean than by the direct Pacific route. British cable companies are alleged to be interested in the Commercial-Pacific Cable Company. Certainly American business suffers not only from high rates but from unjust discrimination. Not only are rates high, but the service is inadequate and occasionally interrupted for weeks at a time.

In granting landing rights to the Commercial-Pacific Cable Company the United States reserved the right to purchase the cables and property of the Company at an appraised value.

The other cable crossing the Pacific is owned by Great Britain and connects Canada and Australia. Rates are low, business is encouraged and the cable looked upon as an important aid in linking together the British Empire.

There is need for a cable from Seattle to the Aleutian Islands with branches extending to Japan and to Asiatic Russia which cannot now be reached directly from the United States. There is need for connecting cables which would ensure service despite any given section being out of order.

With low rates there would be in a short time a sufficient volume of business to justify the laying of other cables. There is no reasonable expectation that private enterprise will meet the political and commercial communication needs of the Pacific.

Great Britain, Japan, China and the United States ought to get together and formulate and develop a com-

prehensive cable scheme with a view to providing ample facilities at low rates.

A number of cables in various parts of the world are owned and operated jointly by two countries.

If the four countries most immediately concerned work out a joint program for cable development and operation in the Pacific, then the German cable system in that part of the world should be turned over to the four countries for incorporation in a general system. The location of the German cables is such that their maximum use would come from such an arrangement.

Suggestions for Incorporation in Program of League of Nations.

I.

Section 1. Each member nation agrees to further the extension of telephone, telegraph, cable and radio communications between the members of the League of Nations.

Section 2. Each member nation agrees to prevent discrimination as to rates and services and to provide for the interchange of business between telephone, telegraph, cable and radio.

Section 3. Each member nation agrees, with special reference to communication by wire, to permit the landing of cables and to revoke when possible or at least not to renew any agreement or lease giving exclusive landing rights; and to authorize the maintenance or leasing of land line extensions of cables to principal inland points in its own jurisdiction and beyond, provided such lines handle no local business and do not compete with local telegraph administrations; and not to read or to interfere with messages in transit across its territory.

II.

Each member nation agrees to maintain such government radio stations as may be needed to receive and forward distress calls and other messages from ships at sea.

III.

Each member nation agrees to maintain radio facilities for the handling of official messages of the League of Nations, and official messages between members of the League of Nations at a uniform rate.

Section 2. Each member nation agrees to handle through its radio service a reasonable amount of commercial press matter of general interest at a uniform rate.

Section 3. Each member nation holds itself ready to negotiate with other member nations for establishment of commercial radio communications.

IV.

Section 1. With special reference to communication by telephone, telegraph, cable and radio the League of Nations is authorized: to investigate complaints arising in connection therewith; in case of international disputes to determine rates, practices and schedules; to fix the rates indicated in Paragraph III, Sections 1 and 2; to act as a center for the exchange of technical information; to call special conferences, or to recognize existing conferences such as the International Telegraph Convention and International Radio-Telegraph Convention.

CONCLUSION.

The steady extension of democratic forms of government and the increasing closeness of contact between all parts of the world point to the conclusion that the ultimate basis of world peace is common knowledge and understanding between the masses of the world. Hence the distribution of intelligence in the form of news becomes of the utmost importance.

The extent of news dissemination is determined largely by availability of wire and radio facilities and by rates charged for press matter. The existence of adequate facilities and low rates to all parts of the world would bring about a generous flow of news.

Inadequate facilities and high rates leave a situation

where the press of many parts of the world remains provincial owing to lack of general news and at the same time leave the press of such sections easy victims to the propagandist.

Modern business with its world-wide ramifications likewise demands an extension of communication facilities.

Abuses in connection with existing communication facilities should be removed and adequate facilities established with rates that are fair to every user.

If statesmanship has the vision and the organizing ability, the most widely separated communities can be made neighbors, trading with each other, interested in each other, understanding each other, learning from each other.

DOCUMENT 64.

Letter of Walter S. Rogers, communications expert of the American Commission to Negotiate Peace, to President Wilson, dated May 2, 1919, discussing the problem of the disposition of the captured German oceanic cables.

AMERICAN COMMISSION
TO NEGOTIATE PEACE.

Paris, May 2, 1919.

DEAR MR. PRESIDENT:

As I see the matter, the problem regarding the German cables can be summarized as follows:

1. The German cable systems have been largely broken up. Certain of the cables have been cut or sealed; others are being used in situ by the Allies; others have been taken up and used elsewhere; others have been diverted to new points; on at least one cable (Pernambuco–Monrovia) an ally has spent considerable money.

2. While it is very questionable whether the Allies have any legal justification for their actions, nevertheless the dispersal of the German cable systems has been carried to a point where it is quite impossible to return the cables to Germany in anything like their former condition. Nor can it be forgotten that German cables were laid partly for political reasons.

3. The British attitude is largely influenced by a desire to retain the former Emden–Azores–New York cable, which has been diverted to Land's End–Azores–Halifax. This cable can be of considerable importance to Canada, for the Dominion, like the United States, needs additional cable facilities. Should the Canadian and British Governments operate this cable in such a way as to force down trans-Atlantic cable rates, the United States would benefit.

4. As to the question arising over the ownership of the other trans-Atlantic cables, the immediate ownership of a cable or group of cables is not especially significant. Every cable is a part of the world system of communications, and as such it is operated in conjunction with other telegraph and cable administrations. The cable business has grown up without plan or supervision, so that every cable company is enmeshed in a snarl of inter-relationships which limit individual action. Speaking generally, it is true that the British cable companies dominate the cable business. A certain amount of governmental supervision is exercised over cable companies through the control of landing rights. The American operated trans-Atlantic cables could not live a day except for their arrangements with the British Government telegraph system for the interchange of business.

5. The Japanese attitude is largely influenced by their desire to retain the cable running from Shanghai to Yap to Menado and the cable connecting Guam and Yap. The Japanese Government owns other cables and no doubt wants the German cables to further Japanese trade and influence in the Dutch East Indies and beyond. These German cables do not pay; incorporated in a well worked out system of Pacific cables, they probably would prove profitable.

6. The French attitude is largely influenced: (a) By a desire to retain the former Emden–Azores–New York cable, which now runs Brest–Azores–New York. There are already two French cables crossing the Atlantic, both inefficiently operated. These French cables have not been used to bring down rates or to force an improvement of service. (b) By a desire to retain the Pernambuco–Monrovia cable or to be reimbursed for money expended upon it.

7. Looking at the cable situation broadly, there is a great human need for more cables, for lower rates and for better service. Low, uniform rates and adequate service would do much to bring about a common understanding throughout the world. Every country should have direct, unfettered communication with every other

country. Cable development is checked largely by British control of gutta-percha, by combinations between present telegraph and cable administrations, and by exclusive landing rights held by certain companies.

8. As a step toward giving the world better cable facilities, the German cables and the new lines based on them might well be turned over to the "Big Five" as trustees with power to own and operate them or, if later thought advisable, to dispose of them.

9. If the trustee arrangement is not agreed upon, there is nothing left but to divide the cables among the powers. In any such arrangement the United States should insist that guarantees be given (a) that every cable user be given equal service and equal rates and that there be no secret or preferential rates; and (b) that assurances be given that arrangements will be made for the interchange of traffic upon a uniform basis with all telegraph, cable and radio administrations. These provisions will be in the direction of introducing into the cable business now generally recognized principles of fair dealing. In any parcelling out of the cables the United States should insist as a very minimum upon having a half interest in the Yap–Guam cable, the ownership of the Brest–Azores–New York cable, and assurances of cable connections from Brest to Emden. If the Japanese should obtain the Yap–Guam cable, they would insist upon going to Guam—a strategic point now closed to all outsiders. Ownership of the Brest–Azores–New York cable would give the American Government a certain amount of power over the trans-Atlantic cable situation, such as Great Britain and Canada would obtain through retaining the Land's End–Azores–Halifax cable. The French Government, through the present French cables, already has such a lever, and then it is presumed that France would receive the Pernambuco–Monrovia cable. The United States should also receive the former German cable now derelict off New York.

10. It is probable that to the suggestion that the German cables be turned over to the Big Five as trustees, that Great Britain will insist on keeping out of the trust the

Land's End–Azores–Halifax cable on the ground that it is no longer German, having been incorporated into the British cable system. The French will probably argue that they should not give up the Pernambuco–Monrovia cable until they have been compensated for their expenditures on it. The Japanese may claim that the island of Yap is theirs and that the ownership of the cable is an incident to the ownership of the island. It is entirely clear that no trust arrangement can be satisfactory unless all the German cables are included and in addition such cables as have resulted from the division of German cables.

11. In any event it should now be decided to hold later in the year an international conference to deal with the entire subject of international communication by telephone, telegraph, cable and radio. Such a conference should be charged especially with devising ways and means of providing small nations with adequate service and further with the development of plans for facilitating the distribution of intelligence throughout the world at uniform, nominal rates.

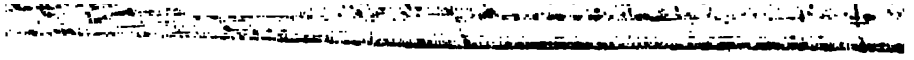
I am, my dear Mr. President,

Sincerely yours,

[*Signed*] WALTER S. ROGERS.

PART IX

GERMANY AND THE PEACE CONFERENCE



DOCUMENT 65.

Memorandum of Mr. Lloyd George, entitled, "Some Considerations for the Peace Conference before they finally draft their terms, dated March 25, 1919 (typewritten original)."

SOME CONSIDERATIONS FOR THE PEACE CONFERENCE BEFORE THEY FINALLY DRAFT THEIR TERMS

. . . . . .

When nations are exhausted by wars in which they have put forth all their strength and which leave them tired, bleeding and broken, it is not difficult to patch up a peace that may last until the generation which experienced the horrors of the war has passed away. Pictures of heroism and triumph only tempt those who know nothing of the sufferings and terrors of war. It is therefore comparatively easy to patch up a peace which will last for 30 years.

What is difficult, however, is to draw up a peace which will not provoke a fresh struggle when those who have had practical experience of what war means have passed away. History has proved that a peace which has been hailed by a victorious nation as a triumph of diplomatic skill and statesmanship, even of moderation, in the long run has proved itself to be shortsighted and charged with danger to the victor. The Peace of 1871 was believed by Germany to ensure not only her security but her permanent supremacy. The facts have shown exactly the contrary. France itself has demonstrated that those who say you can make Germany so feeble that she will never be able to hit back are utterly wrong. Year by year France became numerically weaker in comparison with her victorious neighbor, but in reality she became

ever more powerful. She kept watch on Europe, she made alliance with those whom Germany had wronged or menaced; she never ceased to warn the world of its danger and ultimately she was able to secure the overthrow of the far mightier power which had trampled so brutally upon her. You may strip Germany of her colonies, reduce her armaments to a mere police force and her navy to that of a fifth rate power; all the same in the end if she feels that she has been unjustly treated in the peace of 1919 she will find means of exacting retribution from her conquerors. The impression, the deep impression, made upon the human heart by four years of unexampled slaughter will disappear with the hearts upon which it has been marked by the terrible sword of the great war. The maintenance of peace will then depend upon there being no causes of exasperation constantly stirring up the spirit of patriotism, of justice or of fair play to achieve redress. Our terms may be severe, they may be stern and even ruthless, but at the same time they can be so just that the country on which they are imposed will feel in its heart that it has no right to complain. But injustice, arrogance, displayed in the hour of triumph will never be forgotten or forgiven.

For these reasons I am, therefore, strongly averse to transferring more Germans from German rule to the rule of some other nation than can possibly be helped. I cannot conceive any greater cause of future war than that the German people, who have certainly proved themselves one of the most vigorous and powerful races in the world should be surrounded by a number of small states, many of them consisting of people who have never previously set up a stable government for themselves, but each of them containing large masses of Germans clamouring for reunion with their native land. The proposal of the Polish Commission that we should place 2,100,000 Germans under the control of a people which is of a different religion and which has never proved its capacity for stable self-government throughout its history must, in my judgment, lead sooner or later to a new war in the East of Europe. What I have said about the Germans

is equally true of the Magyars. There will never be peace in South Eastern Europe if every little state now coming into being is to have a large Magyar Irredenta within its borders. I would therefore take as a guiding principle of the peace that as far as is humanly possible the different races should be allocated to their motherlands, and that this human criterion should have precedence over considerations of strategy or economics or communications which can usually be adjusted by other means. Secondly, I would say that the duration for the payments of reparation ought to disappear if possible with the generation which made the war.

But there is a consideration in favour of a long-sighted peace which influences me even more than the desire to leave no causes justifying a fresh outbreak 30 years hence. There is one element in the present condition of nations which differentiates it from the situation as it was in 1815. In the Napoleonic war the countries were equally exhausted but the revolutionary spirit had spent its force in the country of its birth and Germany had satisfied the legitimate popular demands for the time being by a series of economic changes which were inspired by courage, foresight and high statesmanship. Even in Russia the Czar had effected great reforms which were probably at that time even too advanced for the half savage population. The situation is very different now. The revolution is still in its infancy. The extreme figures of the Terror are still in command in Russia. The whole of Europe is filled with the spirit of revolution. There is a deep sense not only of discontent, but of anger and revolt amongst the workmen against pre-war conditions. The whole existing order in its political, social and economic aspects is questioned by the masses of the population, from one end of Europe to the other. In some countries, like Germany and Russia, the unrest takes the form of open rebellion, in others, like France, Great Britain and Italy it takes the shape of strikes and of general disinclination to settle down to work, symptoms which are just as much concerned with the desire for political and social change as with wage demands.

Much of this unrest is healthy. We shall never make a lasting peace by attempting to restore the conditions of 1914. But there is a danger that we may throw the masses of the population throughout Europe into the arms of the extremists whose only idea for regenerating mankind is to destroy utterly the whole existing fabric of society. These men have triumphed in Russia. They have done so at a terrible price. Hundreds and thousands of the population have perished. The railways, the roads, the towns, the whole structural organization of Russia has been almost destroyed, but somehow or other they seem to have managed to keep their hold upon the masses of the Russian people, and what is much more significant, they have succeeded in creating a large army which is apparently well directed and well disciplined, and is, as to a great part of it, prepared to die for its ideals. In another year Russia, inspired by a new enthusiasm, may have recovered from her passion for peace and have at her command the only army eager to fight, because it is the only army that believes that it has any cause to fight for.

The greatest danger that I see in the present situation is that Germany may throw in her lot with Bolshevism and place her resources, her brains, her vast organizing power at the disposal of the revolutionary fanatics whose dream it is to conquer the world for Bolshevism by force of arms. This danger is no mere chimera. The present government in Germany is weak; it has no prestige; its authority is challenged; it lingers merely because there is no alternative but the spartacists, and Germany is not ready for spartacism, as yet. But the argument which the spartacists are using with great effect at this very time is that they alone can save Germany from the intolerable conditions which have been bequeathed her by the war. They offer to free the German people from indebtedness to the Allies and indebtedness to their own richer classes. They offer them complete control of their own affairs and the prospect of a new heaven and earth. It is true that the price will be heavy. There will be two or three years of anarchy, perhaps of blood-

shed, but at the end the land will remain, the people will remain, the greater part of the houses and the factories will remain, and the railways and the roads will remain, and Germany, having thrown off her burdens, will be able to make a fresh start.

If Germany goes over to the spartacists it is inevitable that she should throw in her lot with the Russian Bolshevists. Once that happens all Eastern Europe will be swept into the orbit of the Bolshevik revolution and within a year we may witness the spectacle of nearly three hundred million people organized into a vast red army under German instructors and German generals equipped with German cannon and German machine guns and prepared for a renewal of the attack on Western Europe. This is a prospect which no one can face with equanimity. Yet the news which came from Hungary yesterday shows only too clearly this danger is no fantasy. And what are the reasons alleged for this decision? They are mainly the belief that large numbers of Magyars are to be handed over to the control of others. If we are wise, we shall offer to Germany a peace, which, while just, will be preferable for all sensible men to the alternative of Bolshevism. I would, therefore, put it in the forefront of the peace that once she accepts our terms, especially reparation, we will open to her the raw materials and markets of the world on equal terms with ourselves, and will do everything possible to enable the German people to get upon their legs again. We cannot both cripple her and expect her to pay.

Finally, we must offer terms which a responsible Government in Germany can expect to be able to carry out. If we present terms to Germany which are unjust, or excessively onerous, no responsible Government will sign them; certainly the present weak administration will not. If it did, I am told that it would be swept away within 24 hours. Yet if we can find nobody in Germany who will put his hand to a peace treaty, what will be the position? A large army of occupation for an indefinite period is out of the question. Germany would not mind it. A very large number of people in that country would

welcome it as it would be the only hope of preserving the existing order of things. The objection would not come from Germany, but from our own countries. Neither the British Empire nor America would agree to occupy Germany. France by itself could not bear the burden of occupation. We should therefore be driven back on the policy of blockading the country. That would inevitably mean spartacism from the Urals to the Rhine, with its inevitable consequence of a huge Red Army attempting to cross the Rhine. As a matter of fact, I am doubtful whether public opinion would allow us deliberately to starve Germany. If the only difference between Germany and ourselves were between onerous terms and moderate terms, I very much doubt if public opinion would tolerate the deliberate condemnation of millions of women and children to death by starvation. If so the Allies would have incurred the moral defeat of having attempted to impose terms on Germany which Germany had successfully resisted.

From every point of view, therefore, it seems to me that we ought to endeavour to draw up a peace settlement as if we were impartial arbiters, forgetful of the passions of the war. This settlement ought to have three ends in view. First of all it must do justice to the Allies, by taking into account Germany's responsibility for the origin of the war, and for the way in which it was fought. Secondly, it must be a settlement which a responsible German government can sign in the belief that it can fulfil the obligations it incurs. Thirdly, it must be a settlement which will contain in itself no provocations for future wars, and which will constitute an alternative to Bolshevism, because it will commend itself to all reasonable opinion as a fair settlement of the European problem.

. . . . . .

II. It is not, however, enough to draw up a just and far-sighted peace with Germany. If we are to offer Europe an alternative to Bolshevism we must make the League of Nations into something which will be both a safeguard to those nations who are prepared for fair

dealing with their neighbours, and a menace to those who would trespass on the rights of their neighbours, whether they are imperialist empires or imperialist Bolshevists. An essential element, therefore, in the peace settlement is the constitution of the League of Nations as the effective guardian of international right and international liberty throughout the world. If this is to happen the first thing to do is that the leading members of the League of Nations should arrive at an understanding between themselves in regard to armaments. To my mind it is idle to endeavour to impose a permanent limitation of armaments upon Germany unless we are prepared similarly to impose a limitation upon ourselves. I recognise that until Germany has settled down and given practical proof that she has abandoned her imperialist ambitions, and until Russia has also given proof that she does not intend to embark upon a military crusade against her neighbours, it is essential that the leading members of the League of Nations should maintain considerable forces both by land and sea in order to preserve liberty in the world. But if they are to present an united front to the forces both of reaction and revolution, they must arrive at such an agreement in regard to armaments among themselves as would make it impossible for suspicion to arise between the members of the League of Nations in regard to their intentions towards one another. If the League is to do its work for the world it will only be because the members of the League trust it themselves and because there are no rivalries and jealousies in the matter of armaments between them. The first condition of success for the League of Nations is, therefore, a firm understanding between the British Empire and the United States of America and France and Italy that there will be no competitive building up of fleets or armies between them. Unless this is arrived at before the Covenant is signed the League of Nations will be a sham and a mockery. It will be regarded, and rightly regarded as a proof that its principal promoters and patrons repose no confidence in its efficiency. But once the leading members of the League have made it clear that they have reached

an understanding which will both secure to the League of Nations the strength which is necessary to enable it to protect its members and which at the same time will make misunderstanding and suspicion with regard to competitive armaments impossible between them its future and authority will be ensured. It will then be able to ensure as an essential condition of peace that not only Germany, but all the smaller states of Europe undertake to limit their armaments and abolish conscription. If the small nations are permitted to organize and maintain conscript armies running each to hundreds of thousands, boundary wars will be inevitable and all Europe will be drawn in. Unless we secure this universal limitation we shall achieve neither lasting peace, nor the permanent observance of the limitation of German armaments which we now seek to impose.

I should like to ask why Germany, if she accepts the terms we consider just and fair, should not be admitted to the League of Nations, at any rate as soon as she has established a stable and democratic Government. Would it not be an inducement to her both to sign the terms and to resist Bolshevism? Might it not be safer that she should be inside the League than that she should be outside it?

Finally, I believe that until the authority and effectiveness of the League of Nations has been demonstrated, the British Empire and the United States ought to give to France a guarantee against the possibility of a New German aggression. France has special reasons for asking for such a guarantee. She has twice been attacked and twice invaded by Germany in half a century. She has been so attacked because she has been the principal guardian of liberal and democratic civilization against Central European autocracy on the continent of Europe. It is right that the other great Western democracies should enter into an undertaking which will ensure that they stand by her side in time to protect against invasion, should Germany ever threaten her again or until the League of Nations has proved its capacity to preserve the peace and liberty of the world.

III. If, however, the Peace Conference is really to secure peace and prove to the world a complete plan of settlement which all reasonable men will recognise as an alternative preferable to anarchy, it must deal with the Russian situation. Bolshevik imperialism does not merely menace the States on Russia's borders. It threatens the whole of Asia and is as near to America as it is to France. It is idle to think that the Peace Conference can separate, however sound a peace it may have arranged with Germany, if it leaves Russia as it is today. I do not propose, however, to complicate the question of the peace with Germany by introducing a discussion of the Russian problem. I mention it simply in order to remind ourselves of the importance of dealing with it as soon as possible.

Paris
March 25, 1919.

DOCUMENT 66.

Letter of General J. C. Smuts to the Prime Minister, Lloyd George, May 22, criticizing the terms of the Treaty as drawn and suggesting changes (carbon copy).

22nd May, 1919.

The Prime Minister.

I append a list of the most important provisions of the Peace Treaty which in my opinion call for amendment.

1. *The Occupation Clauses* (Paras. 428–432).

The most dangerous provision of the whole Treaty is *the occupation of the left bank of the Rhine* for 15 years—and even thereafter—at the option of the Allies, or in case the Germans have not (as they will not) have fulfilled all the terms of the Treaty. In the first place the size of the French army is not fixed, and it would be possible for France for the next 15 years to put most of her military expenditure on to German shoulders by keeping the bulk of her troops in the occupied area. In the second place the military régime to be followed is not fixed, and a system of martial law may and probably will be adopted which will be most irksome and irritating to the population and hampering to industry. The least that should be done if the Occupation Clauses are to remain is that the French army of occupation should be limited to reasonable numbers, that provision should be made that the civil population and administration should not in any way be under military law, order or regulation, and that the German Government should remain in undisturbed civil administration of the occupied area. Both this area and the Saar basin should remain in the German Customs system.

Military occupation and martial law for such a long period will, however, be so productive of friction and mischief, and involve such risks to Peace, that I would very strongly urge that the occupation be dropped in favour of the proposed Treaty of Guarantee. France should not have the double insurance of both the occupation and the guarantee. The Allies will have military, naval and air commissions going over Germany with full powers for an indefinite time. The League of Nations also has powers of investigation. The Reparation Clauses will effectively prevent military manufacture for 30 years. All fortifications are to be razed and no troops may be assembled within 50 km. east of the Rhine (paras. 42–3). In view of all this and also the proposed Guarantee, the Occupation provisions should be deleted.

2. *The Saar Basin.*

With the Occupation Clauses are associated the special provisions for the administration of the Saar Basin for 15 years. The German character of the great bulk of the population is beyond question, and there is no necessity to hold a referendum at the end of fifteen years. I consider the special administration a clumsy device and really uncalled for so long as France has full powers in respect of the coal mines. But if the special administration is to be established, it should automatically cease after fifteen years as soon as Germany can repurchase the coal mines. (I understand that the drastic Penalty Clause in case the mines are not paid for in gold in six months after the valuation will be dropped.)

3. *The Reparation Clauses.*

I am advised that while a very large amount of reparation could be obtained from Germany in the long run, the actual scheme adopted in our Reparation Clauses is unworkable, and must kill the goose which is to lay the golden eggs. We could not get anything like one milliard sterling out of Germany within the first two years. Apart from ships, foreign securities and certain raw material, we could get nothing but worthless paper. So far from

getting anything more out of Germany the first couple of years, the real practical problem is to find credit for Germany wherewith she could purchase food and the necessary raw materials to restart her industrial life. There is actually sitting a Commission, whose object it is to find out how to finance Germany and other European countries in the immediate future.

Besides the impossibility of paying this milliard in two years, I am also advised that the scheme of the five milliard bonds is unworkable and should be scrapped.

I think we should be prepared to listen to what the Germans have to say in criticism of our scheme of Reparation, and to modify it with a view to making it practicable and not crippling German industry irreparably in the next few years. Our policy should rather be to begin nursing German industry and finance in order to obtain heavy contributions from them when they have become productive.

In particular I think the coal demands we are making on Germany are too heavy, and must seriously cripple her industry. Three separate commissions have taken coal from Germany: one confiscated the Saar Basin, another cut off the Silesian coal fields, and the third laid heavy contributions on the Westphalian fields in favour of France, Belgium and Italy. The combined result of all this is a burden which it will probably be too heavy for German industry to bear. All this requires reconsideration, and would probably have received it but for the hurry in which the Treaty was finally put together from the various Commission Reports.

While sticking generally to our scheme of Reparation, I would eliminate the above objectionable or unworkable features, and in particular I would scrap the schedules dealing with the future delivery of coal and coal products, and the future construction of ships. I would give the Reparation Commission full power to settle not only the amount but also the form in which the payments are to be made (in money or kind). I would certainly take away the power from the French and Belgian manufacturers to rove about German factories in order to despoil them of machinery which they may allege to be

necessary for their works (para. 4 of the Fourth Annex to Reparation Clauses). This industrial looting would be most mischievous, and could not in peace time be justified as a reprisal for crimes committed in war time. The proper reprisal is to make the Germans pay.

4. *Germany's Eastern Frontier.*

I am convinced that in the undue enlargement of Poland we are not only reversing the verdict of history, but committing a cardinal error in policy which history will yet avenge. The new Poland will include millions of Germans (and Russians) and territories which have a German (or Russian) population, or which have for very long periods been part of Germany (or Russia). It is reasonably certain that both Germany and Russia will again be great Powers, and that, sandwiched between them the new Poland could only be a success with their good will. How, under these circumstances, can we expect Poland to be other than a failure, even if she had that ruling and administrative capacity which history has proved she has not? Even now while the Conference is sitting, the Poles are defying the Great Powers. What is going to happen in future with the Great Powers divided and at loggerheads? I think we are building a house of sand. And in view of these and many other considerations, I would revise the boundaries of Poland as provisionally settled in the Treaty, leave Upper Silesia and all real German territory to Germany, contract the boundaries of the Free City of Danzig, and instead of placing her under the suzerainty of Poland as we propose doing, leave her under the suzerainty of Germany with an administration under the League of Nations. I think the two cardinal errors in policy of this Treaty are the long occupation of the Rhine, and the enlargement of Poland beyond anything which we had contemplated during the war. These two errors are full of menace for the future peace of Europe, and I urge that every means be taken to remove them before it is too late. It is not yet too late. There is no doubt that the German Delegates are going to make a stiff

fight, perhaps a condition for signature of the Treaty, that the Settlement of their Eastern frontiers in Silesia, East and West Prussia, should be revised. I would advise that we consider the case to be put forward by them most carefully on its merits.

5. *The Punishment Clauses.*

While I am all in favour of the policy laid down in the Punishment Clauses, I feel that for the German Government to agree to them as they stand must be almost, if not quite, impossible. An indefinite obligation to surrender *any* person whom *any* Ally might name, and actually to have to supply the evidence for his conviction is more than any Government with a sense of honour and regard for its people could sign. The demand should be limited to a definite, reasonably short list of war criminals, whose position or whose crimes were really outstanding. And when the Germans press for such an amendment I hope we shall meet them fairly.

The above are the most important alterations which I would suggest to the Peace Treaty. There are, however, a number of other more or less important provisions to which I wish to draw attention.

6. *The Military and Air Clauses.*

I think we are doing wrong in trying to bind down Germany to a maximum army of 100,000 men. For a population so large, and in such a state of internal ferment, and with frontiers and neighbours such as Germany has, I think such a force totally inadequate for necessary police and defense purposes. It took us more than 100,000 men to maintain order in Ireland during the latter part of the war, and Germany's case is much more serious. We should be prepared to listen to the case which the German delegates may make on this matter.

I think it is also quite wrong to deprive her completely of tanks and military aircraft. These things have become part of the equipment of a properly organized army, and we should be prepared to leave her the necessary quota of tanks and aircraft for her small army. A

similar argument applies to the airships and seaplanes necessary for her reduced navy.

There is a provision that all aerodromes within 150 km. of the eastern, western and southern boundaries of Germany should be demolished. This is far too drastic, and indeed unnecessary, if not impracticable. The Treaty bristles with similar pinpricks which embody merely the whims of minor officials and should not remain in the Treaty in its final form.

7. *International Rivers and Railways.*

While the internationalization of the rivers and railways of Germany which provide outlets for the new States is perfectly sound in principle, the administration laid down for these rivers and railways is entirely indefensible. These rivers are to be administered by Boards which contain a small minority of German representatives, and this even in the case of rivers which are exclusively German. English, Italian, French, Scandinavian and Belgian representatives form a great majority in these Boards. It is as if the Thames Conservancy consisted almost entirely of representatives of foreign Governments! Principles are laid down for the fixing of rates over German railways which are almost unintelligible, and, so far as I understand them, unworkable. Generally most of the provisions in respect of German rivers and railways are hopelessly one-sided, and seem intended merely to bring the whole principle of internationalization into disrepute. They require drastic revision. I would suggest that the principle laid down in the case of the Kiel Canal be generally followed. That is to say, the administration of these international rivers and railways in German territory should be German, but a right given to an aggrieved party to appeal to the League of Nations, who shall have power to appoint an administering Commission in a proper case.

8. *Pin Pricks.*

As I have said, the Treaty is full of small, comparatively unimportant provisions which serve no useful

purpose, but must be unnecessarily galling and wounding to the feelings of a defeated enemy. While making the Treaty as hard and stiff as Germany deserves after the manner of her warfare, we should be careful to eliminate from it all trace of petty spite and ill-feeling, which cannot serve so great a cause as ours, nor promote the interests of future goodwill and peace. I am for drastic revision of all such pin pricks; they relate largely to the treatment of German nationals and German property and rights. But they are found in almost every chapter of the Treaty.

9. *Procedure for Alterations.*

I have set out what I think should be done with this Treaty. I add a few words as to the method which I think should be followed in the necessary revision.

I am very anxious, not only that the Germans should sign a fair and good Peace Treaty, but also that, for the sake of the future, they should not merely be made to sign at the point of the bayonet, so to speak. The treaty should not be capable of moral repudiation by the German people hereafter. And for this purpose I consider it important that we should as far as possible carry the German Delegates with us, that we should listen to what they have to say, that we should give all necessary explanations to them, and that where our Clauses appear really untenable, we should be prepared to accept alterations or compromises. In order to do this, it will be necessary to meet them in oral discussion. And the suggestion I would make for this purpose is that a small Committee of minor delegates be appointed to meet the Germans after they have handed in their final note on the 29th May, and confer with them in regard to the Treaty as a whole. This Committee to make a report to the Supreme Council of the alterations they recommend after hearing the German side. In this way the Supreme Council will avoid direct negotiations with the German Delegates, but will have before them recommendations arrived at after full cognisance has been taken of the German case. Necessarily much will depend

on the personnel of this Committee. I would suggest that it consist of three delegates, one nominated by the United States, the British Empire and France respectively. It is essential for rapid work that the Committee be as small as possible, and Italy and Japan are not sufficiently interested in the German Treaty to make it worth while overloading the Committee with two additional representatives. If the three Delegates are carefully selected, their work may be of first-class importance, not only in securing the necessary modifications in the Treaty, but in listening to and considering the German case, and thereby removing from the making of the peace all appearance of one-sidedness, and unnecessary dictation. The moral authority of the Treaty will be all the greater and more binding on that account. And not only the enemy, but the public opinion of the world will accept it more readily as an honorable ending of the most awful and most tragic dispute in history. The final sanction of this great instrument must be the approval of mankind.

[*Sd*] J. C. SMUTS.

DOCUMENT 67.

Letter of General Smuts to President Wilson (autographed original), dated May 30, 1919, criticizing the Treaty and asserting that it "is against the letter and spirit of your points."

BRITISH DELEGATION
PARIS

30th May, 1919.

DEAR PRESIDENT WILSON,

Even at the risk of wearying you I venture to address you once more.

The German answer to our draft Peace Terms seems to me to strike the fundamental note which is most dangerous to us, and which we are bound to consider most carefully. They say in effect that we are under solemn obligation to them to make a Wilson Peace, a peace in accordance with your Fourteen Points and other Principles enunciated in 1918. To my mind there is absolutely no doubt that this is so. Subject to the two reservations made by the Allies before the Armistice, we are bound to make a peace within the four corners of your Points and Principles, and any provisions of the Peace Treaty which either go *contrary* to or *beyond* their general scope and intent would constitute a breach of agreement.

This seems to my mind quite clear, and the question of fact remains whether there are any such provisions. If there are, then our position is indeed serious, as I understand it. This war began with a breach of a solemn international undertaking, and it has been one of our most important war aims to vindicate international law and the sanctity of international engagements. If the Allies end the war by following the example of Germany

at the beginning, and also confront the world with a "scrap of paper," the discredit on us will be so great that I shudder to think of its ultimate effect on public opinion. We would indeed have done a worse wrong than Germany because of all that has happened since August, 1914, and the fierce light which has been concentrated on this very point.

The question becomes, therefore, most important whether there are important provisions of the Treaty which conflict with or are not covered by, but go beyond, your Points and Principles. I notice a tendency to put the whole responsibility for deciding this question on you, and to say that after all President Wilson agrees to the Treaty and he knows best what the Points and Principles mean. This is most unfair to you, and I think we should all give the gravest consideration to the question whether our Peace Treaty is within the four corners of your Speeches of 1918.

Frankly I do not think this is so, and I think the Germans make out a good case in regard to a number of provisions. All the one-sided provisions, which exclude reciprocity or equality, and all the pinpricks, with which the Treaty teems, seem to me to be both against the letter and the spirit of your Points. I cannot find anything in the Points or the Principles which should cover, for instance, the one-sided internationalization of German rivers, and the utterly bad and one-sided administration arranged in respect of them. Reparation by way of coal cannot cover the arrangements made in respect of the Saar Basin and its people. I even doubt whether the Occupation of the Rhine for fifteen years could be squared either with the letter or the spirit of your Points and Principles. And there are many other points to which I shall not refer, but which no doubt your Advisers will consider.

There will be a terrible disillusion if the peoples come to think that we are not concluding a Wilson Peace, that we are not keeping our promises to the world or faith with the public. But if in so doing we appear also to break the formal agreement deliberately entered into

(as I think we do), we shall be overwhelmed with the gravest discredit, and this Peace may well become an even greater disaster to the world than the war was.

Forgive me for troubling you with this matter, but I believe it goes to the root of our whole case.

Yours very sincerely,

[*Signed*] J. C. SMUTS.

DOCUMENT 68.

Stenographic report of meeting between President Wilson, the Peace Commissioners and technical advisers of the American Commission to Negotiate Peace, Hotel Crillon, June 3, 1919, at 11:00 o'clock A. M. This was the meeting in which President Wilson sought advice upon suggested changes in the Treaty (mimeograph).

Book No. 4.

Secret.

STENOGRAPHIC REPORT OF MEETING BETWEEN THE PRESIDENT, THE COMMISSIONERS, AND THE TECHNICAL ADVISERS OF THE AMERICAN COMMISSION TO NEGOTIATE PEACE, HOTEL CRILLON, PARIS, JUNE 3, 1919, AT 11:00 O'clock A. M.

PRESENT

THE PRESIDENT.
HONORABLE ROBERT LANSING.
HONORABLE HENRY WHITE.
HONORABLE EDWARD M. HOUSE.
GENERAL TASKER H. BLISS.

ADMIRAL W. S. BENSON, U. S. N.
REAR-ADMIRAL H. S. KNAPP, U. S. N.
REAR-ADMIRAL A. T. LONG, U. S. N.
MAJOR-GENERAL M. M. PATRICK, U. S. A.
BRIGADIER-GENERAL C. H. MCKINSTRY, U. S. A.
HONORABLE JOHN W. DAVIS.
MR. BERNARD M. BARUCH.
MR. VANCE MCCORMICK.
MR. NORMAN H. DAVIS.

MR. THOMAS W. LAMONT.
MR. HERBERT HOOVER.
DR. JAMES BROWN SCOTT.
MR. LELAND L. SUMMERS.
DR. FRANK W. TAUSSIG.
MR. JOHN FOSTER DULLES.
MR. JEREMIAH SMITH, JR.
MR. E. L. DRESEL.
MR. OSBORNE.
DR. C. H. HASKINS.
DR. R. H. LORD.
DR. CLIVE DAY.
CAPTAIN S. K. HORNBECK.
MR. G. L. BEER.
DR. CHARLES SEYMOUR.
MR. M. O. HUDSON.
COLONEL T. H. DILLON.
COLONEL S. D. EMBICK.
MR. B. W. PALMER.
MR. F. K. NIELSEN.
MR. LELAND HARRISON.
MR. C. A. HERTER.
MR. A. C. KIRK.
CAPTAIN JAMES GARFIELD.
MR. RAY STANNARD BAKER.

THE PRESIDENT: Gentlemen, we have come together in order that we may hear from you on the question of the German counter-proposals. We all have moving recollections of the struggles through which we have gone in framing the treaty, and the efforts we made that were successful, and the efforts we made that were unsuccessful to make the terms different from what they are, and I have come here not to express an opinion but to hear opinions, and I think perhaps the best course to follow will be to get a general impression from each other as to which parts of the German counter-arguments have made the greatest impression upon us.

Just as a guide, I find that the parts that have made the greatest impression on our British colleagues are the

arguments with regard to the eastern frontier with Poland, the parts with regard to reparations, the parts about the period of occupation, together with the point about the League of Nations, their impression being that the Germans might very well be given reasonably to expect that the period of their probation would not be long in the matter of admission into the League. Those are the four points, the four subjects upon which the German counter-proposals have made the deepest impressions upon them. That might be the start.

The reparation is the biggest point. That involves left-overs of the financial clauses. I would be glad to hear from anyone of our financial group who would like to express himself on that point.

MR. NORMAN H. DAVIS: We feel that the Germans have really given us a basis for getting together properly on reparation, by coming back with a fixed sum. It is a rather rigid fixed sum, which can be modified and made more workable. There is a considerable possibility of getting together there, if we can get the French to agree upon a fixed sum. As you know, we have always insisted on the necessity of having a fixed sum, because by leaving it indefinite we had to give considerable powers to the Reparations Commission, and that is what seems to worry the Germans more than anything else—the powers given to the Reparations Commission, which, as they claim, are rather destructive than constructive, and if we come back and make a fixed amount, it will be possible to do away with the functions of the Reparations Commission which most worry the Germans, and it will avoid the necessity of interfering with their internal affairs, and so on.

COLONEL HOUSE: Have not the Germans misconstrued what the treaty says on that point? That it really does not go as far as the Germans think it goes, and if the matter were explained to them personally, that they would understand it differently from what they now understand it?

MR. THOMAS W. LAMONT: I believe that they could be made to understand that, Colonel House. Certainly

the intent of the Reparations Commission is nothing like as inquisitorial nor as arbitrary as the Germans have construed it to be, and I believe that we could explain that to a very large extent, provided, as Mr. Davis says, there was coupled with it the change from an indefinite, vague sum to be determined two years from now, to a definite sum to be determined to-day, because that very change would do away with a large part of the necessity of such a commission.

THE PRESIDENT: May I ask if you saw Messrs. Tardieu and Loucheur this morning?

MR. LAMONT: We saw Mr. Tardieu. Mr. Loucheur did not come.

THE PRESIDENT: What was his statement?

MR. LAMONT: Mr. Tardieu's first reply was that they could consider no change, because Mr. Lloyd George had brought up so many changes. He alluded to the conference at the President's house yesterday afternoon. But during the last part of the conference he finally came around and said that if it were a question of reparation alone and not a question of the Army of Occupation and these other things, he did not know but that they could devise with us the machinery that could work out the idea of a fixed sum, provided the sum were adequate enough. He alluded to the first answer, Mr. President, that you made to the first German note, in which you indicated that execution might be changed somewhat, or made to conform, and he said that if we could work reparation under the head of execution rather than change of principle, "I believe we could be with you."

THE PRESIDENT: May I ask that what I say by way of reference to our British colleagues be not repeated outside of this room, because I am at liberty to use it only for the purposes of this conference. But here are the alternative methods of reparation which were suggested: first, that the Germans should undertake as a contract the whole task of restoration, that is to say, the physical restoration of the ravaged parts of northern France, and that a sum should be fixed in the treaty of peace, under several items in the category of damages,

the principle being that inasmuch as it was impossible now to estimate what the actual restoration would cost, that they should be put under contract to restore northern France within a definite period, and that, since the rest of the categories would perhaps hold them, a definite sum ought to be arrived at in regard to that.

The alternative plan was—and it is a rather vague one—that the Germans should sign the reparation clauses as they stand, but that three months should be given them to effect an arrangement for fixing a definite sum in cash as a compensation of all claims. That the reparation clauses were to stand, giving them three years for proposals as to the definite sum.

MR. BARUCH: We discussed those two alternatives that you speak of, Mr. President, yesterday, but we still feel that the best solution would be to come to a fixed sum now, to start with. We went over this yesterday.

THE PRESIDENT: And reject the idea of a contract for restoration?

MR. DAVIS: It would be difficult, as a matter of practice, to carry that out.

MR. SUMMERS: There is an economic unsoundness in it, because many of the districts and places that were devastated and destroyed were located many years ago, and have now no economic basis for being there. For instance, they could combine into one steel mill several destroyed mills. Many of the existing mills could be combined into one; one could be substituted for many. Unless there was a latitude given, it would be economically unsound.

MR. LAMONT: Mr. President, with all respect to Mr. Lloyd George, he is simply trying to postpone the evil day, as far as public opinion is concerned.

THE PRESIDENT: I think he has stated the way it is to be gone about.

MR. LAMONT: Still, whichever way one looks at it, from the Allied point of view or from the German point of view, it is better to make it definite. Germany cannot start her economic and industrial life, cannot gain any credit, as long as it remains open.

MR. DAVIS: He is trying to play both ways undoubtedly there, and as a matter of practice, it is very hard to work that out, because we can never get together as to the distribution of this fixed amount, because they would have to calculate all the time what would be France's share in the restoration of the Germans.

COLONEL HOUSE: It would be something like rewriting the treaty.

MR. DAVIS: We are convinced, Mr. President, that on account of Europe's financial situation to-day it is a most important thing to fix an amount, and an amount which Germany and the world itself have some hope of her being able to pay, and carrying out, which can be used as a basis for France and Italy and the other countries getting on their feet and meeting their requirements.

Under the present arrangements, as the Germans very properly state, if they are not prosperous and cannot get back to work they will pay nothing, but on the other hand, if they buckle down to work and work hard and save, the harder they work and the more they save, the more they will pay. And that is a rather poor incentive for the Germans to buckle down and work hard. But if there is a fixed amount which will let them see a chance of getting from under some day, I believe that would be a better incentive for them.

THE PRESIDENT: How about the other side of it: a fixed sum will form a basis of credit for the other nations, but what will form a basis for Germany's credit?

COLONEL HOUSE: It was practically a fixed sum.

THE PRESIDENT: Yes, there would be that definiteness in it, but where would her assets be?

MR. DAVIS: We must insist upon her being left with sufficient assets as a working capital.

THE PRESIDENT: As a matter of fact the Reparations Commission can do that.

MR. DAVIS: They are permitted to leave her with certain assets, except the ships. We feel that some arrangement certainly must be made whereby Germany can at least have a sufficient number of those ships, either

retaining them or making some arrangement for getting them back, so that she will have enough for her own trade, and which I understand amounts to about one-third of the ships which she has turned over.

SECRETARY LANSING: Now Germany offers a fixed sum, does she?

MR. DAVIS: Yes.

SECRETARY LANSING: It is 100 milliards of marks?

MR. DAVIS: Yes. Of course they make quite a large amount of deductions. They say that they will pay the first sum of 20 milliards of marks in the first seven years, but that you must deduct from that the war materials they have turned over and everything else they have turned over and will turn over under the treaty, and also the proportionate share of the pre-war and the war debt of Alsace-Lorraine and of that part of the territory that Poland gets, which they estimate roughly would amount to about three million dollars.

MR. LAMONT: Still, Mr. Secretary, it is very striking that they have made two definite offers: the offer of 20 milliards, and the further offer to devote to reparations a sum annually amounting approximately to the total net peace budget of the German Empire, between $750,000,000 and one billion dollars.

SECRETARY LANSING: As I recall it, they offer to pay 20 milliards of marks on or before May 1st, 1926, and then they offer to pay one milliard a year after that. But they will increase it, on the basis that their people shall not be taxed more than the greatest amount paid by any injured country.

MR. DAVIS: They say that as a result they will be compelled, according to that, to tax that heavily; but at least 20 milliards they offer to pay within seven years, and without interest. That is not a capital sum. If you reduce that to a capital sum that will amount to 12½ or 15 milliards. We feel, from a practical standpoint, that it is better to have it interest bearing. Of course you have to give them a few years before they can afford to pay interest, because otherwise it would run so fast against them that they could not catch up.

SECRETARY LANSING: It does not come so very far from the 15 billions of dollars talked about.

MR. LAMONT: It is a little bit less. After you take away deductions it would amount to the capital sum of 10 billion dollars.

THE PRESIDENT: Do you understand that the French this morning were not willing to consider an alteration or change of that sort?

MR. LAMONT: I think they are willing to consider a change of that sort if some one will tell them that that is the only change that would be discussed. At least that was Mr. Tardieu's attitude. Mr. McCormick could better tell us that.

MR. VANCE MCCORMICK: He said that every modification proposed by the British was against the French. The British never mentioned any concession regarding ships or the colonies, and Mr. Tardieu called Mr. Lloyd George's attention to that fact. Mr. Tardieu's position was that they should not agree to a change in the present treaty; that during these five months the experts have discussed these questions pro and con, and having finally come to a decision, it would be fatal to change any principle whatever. The question of machinery of execution, as you stated in your note, might be considered; that was the position the French took. And as he went out of the room he intimated to Mr. Lamont that he might consider such questions as the question of the reparation clauses, along the line we have just been discussing, provided it was not opening the door to concessions along the other lines. France could not afford to concede anything further.

THE PRESIDENT: Would he regard fixing a capital sum as a modification of principle, or a method?

MR. MCCORMICK: A method. Didn't you gather that? (Addressing Mr. Lamont.)

MR. LAMONT: Yes. Mr. Loucheur, of course, has more to say about that than Mr. Tardieu has. If it had not been for the British "Heavenly Twins" we could have gotten together with Loucheur months ago.

MR. DAVIS: Now he is a little bit worried about that

political aspect of it, but if there are some changes made which would affect the British I think it would have a certain influence on the French, but, as Tardieu says, the only changes that are proposed are practically those that affect the French.

COLONEL HOUSE: Premier Clemenceau told me last night that he was willing to discuss Silesia. He was not willing to discuss the period of occupation, and he was not willing to discuss any of the other things that Lloyd George wanted.

THE PRESIDENT: Did he say that he would not discuss reparation?

COLONEL HOUSE: No, and I gathered that he would. I think we could get him to discuss reparation. And I also think—much to my surprise—that he would about the League of Nations. He said he would not consider for a moment letting the Germans in now, and I said: "Well, your attitude about that I think is the worst attitude for France, and I cannot understand it. It seems to me that you can see that the sooner the League of Nations gets its grip on Germany the better it would be for France." He said: "I concede that; that is all right; but not for the moment. Presently." So I don't think he is going to be very bad on that. I think the Germans could be told privately that Germany will come in very shortly. I think we could get him to consent to that.

THE PRESIDENT: Well, if you gentlemen of the reparation group had a free hand—if only we ourselves were concerned—what would you propose with regard to the reparation?

MR. DAVIS: Well, we have not definitely agreed among ourselves as to just what we would propose, but we certainly are in accord with this, that we would propose and insist upon a fixed sum, and that that fixed sum would be as high as we really could get Germany to agree to without having a bayonet at her throat, because, after all, the important thing, as stated before, is to get something which can be used as a basis for France and Italy to get more credit, and which will not be so burdensome

as will prevent Germany from going ahead with restoring her industrial life, because, after all, what they need to do more than anything is to get people to work, and they have pretty nearly all exhausted their credit. Loucheur is worried about that now, and the important thing is not so much what Germany can pay now, really just now, as fixing a reasonable amount which the German people are willing to buckle down to attempting to pay, and which the investors of the world think she will pay,—and they are rather apt to believe that Germany will pay what she undertakes to pay.

THE PRESIDENT: The aspect of the subject which interests me is the world aspect of it. Unless these securities that Germany is going to give are known to be worth something they cannot be used as a basis for credit, and somebody else will have to supply the credit. Now they cannot be made worth anything unless Germany has the means of going to work and producing. Which is the result of saying that they cannot be made worth anything unless she has assets to begin with to establish her own credit. And therefore the thing has two sides to it; not only the aspect of Germany and France and Italy—but the world aspect; working out a method by which this sum would be made not only definite but worth something, by having means for Germany to get to work.

MR. DAVIS: Yes, we think so.

THE PRESIDENT: Now it seems to me that we could have made it evident to the Germans, by explaining to them, that the real functions of the Reparations Commission, are, as I understand them to be, to help them in carrying out their obligations. The only trouble is, that it is one thing to say that this is the way the Reparations Commission is going to work, and another thing to find it in the treaty. Because we, of the present group of persons, are putting a certain interpretation on the treaty, but there will be others following us who may not put the same interpretation upon it.

MR. DAVIS: We probably have not got in there as clear a picture of what our idea was as to the policy that

would be followed by the Reparations Commission as we should have, and it would be well, and it would undoubtedly affect the Germans, if they could be told.

THE PRESIDENT: Why not write—I don't know what the language would be—an accompanying memorandum, agreed to by all the powers, as to the method of administration by the Reparations Commission?

MR. BARUCH: Of course if we fixed a sum the Reparations Commission would die. If we fixed a definite sum, and Germany agreed to it, and she delivered, the Reparations Commission, as we have got it set up, would die, and another would be set up to receive the funds and bonds.

Mr. DAVIS: The Reparations Commission was set up principally because they were leaving this matter indefinite, and because we were imposing a burden upon Germany concerning which there was some doubt as to her capacity to meet. But as it was clearly understood that they must follow a constructive policy, and that Germany could not pay anything unless she was given facilities and working capital it was absolutely necessary to set up this commission, with the idea of getting all they could out of Germany, but doing this in a broad way. But that is not the picture that is really conveyed in there (i. e., in the Treaty). The powers of the Reparations Commission are, in a sense, destructive as far as Germany is concerned—they could be—but it ought to be explained to the Germans that no intelligent people could perform its destructive powers unless Germany wilfully failed to comply.

There is no limitation on what the Reparations Commission can do, and since the armistice the agreements with the Germans have been outrageously violated by the French, as for instance, the Luxembourg protocol, etc., and the Germans have had an experience of what the giving of this power has meant, and they complained of it, to which I responded and asked them if they did not think they were entitled to it. They have got evidence to show that the commissions have thus far been outrageously unfair.

THE PRESIDENT: You think that difficulty would be met then by a fixed sum?

MR. SUMMERS: Unquestionably. We have always rewarded, by pensions and in similar ways, deeds of heroism, and each nation has chosen to reward its heroes as it saw fit, and to place that on the Germans on the basis that the French have awarded theirs is unprecedented in the history of the world. And if we had stood for actual reparation we might get some place within a rational sum, which Germany could pay, and we would have a basis for understanding upon that amount.

MR. LAMONT: Mr. President, I believe our difficulties with Germany would fade away if you and Mr. Clemenceau and Mr. Lloyd George would instruct your technical committees to arrive at a definite sum within twenty-four hours instead of two years, and at the same time to reach an agreement as to how much working capital should be left in Germany's hands.

THE PRESIDENT: We instructed them once to find a definite sum. And then we got Klotz on the brain.

MR. LAMONT: Mr. Lloyd George kicked over the traces, but now he has come back to the fold.

MR. DAVIS: You remember they used to change commissions such as this, in times gone by, every time they decided against the wishes of the heads of the states.

COLONEL HOUSE: Do you remember how we always knew, when the individual members would come into a meeting just what the trend of the meeting was going to be that day?

THE PRESIDENT: Now the joke of it is that Lord Sumner was one of those who contributed to the unanimous counsel of the British the other day, and he takes a different position now.

MR. LAMONT: I believe we could get together on this point.

MR. DAVIS: Of course on those constructions you should make the necessary consequential changes in the Reparations Commission, and if possible do something to get away with it. I am afraid you will have to have a reparations commission for a while.

But it is necessary to have a commission, really, to receive the funds and the bonds, and open the trust for the proper distribution at the proper time.

. . . . . .

THE PRESIDENT: Now what about the eastern borders of Germany?

DR. R. H. LORD: I must confess that the general tenor of the German argument about the cession to be made to Poland struck me as a rather weak attempt to escape from the principle laid down in the fourteen points with regard to the united Polish state, containing all Polish territories, and a secure access to the sea.

The territories which the treaty proposes to give to Poland are so indisputably Polish that in general the Germans have not been able to pick very serious flaws in the treaty from the point of view of nationality, statistics or the principle of uniting indisputably Polish territories to Poland. They have gone out to find all, what they call, the purely German districts which are awarded to Poland under this treaty, and what they have been able to find is very little. They have been able to detect a small district here and another small district there where there is a German majority. Sometimes they use very bad figures in establishing that. But, at any rate, here and there they have found places where, owing to necessities of topography or of railway communications, or in order to secure a half-way compact frontier, the proposal incorporated in the treaty had been to give slight areas of German majority to Poland. There are a couple of such cases where it is possible that rectifications in the line proposed by the treaty might be made without serious consequences to the integrity of the whole solution. Here is one case where there is a short bit of railway line (exhibiting on map) that might be rectified.

But, as everyone knows, the linguistic border between Germans and Poles is an extremely sinuous and contorted one. There has been an immense admixture of the two races in this part of the world,—an admixture which has

been largely due to the systematic work of the Prussian government, with its colonization methods, which has flooded certain portions with Germans by purely artificial means, and kept the Germans there by purely artificial means.

Now it was impossible for the Commission on Polish Affairs in making the proposals of the boundaries here, to avoid including in the frontiers of Poland some—not large—regions of Germans. Otherwise no compact frontier could have been reached. The Commission in its proposals left out a number of regions that were on the other side, and it made quite consistent efforts to be fair in its proposals. We can see only two places where slight changes might be made without serious results, and even in one of them, because of its character, I think a change would be quite questionable because it would make dangerously narrow and insecure that access to the Baltic Sea which is, I think, one of the cardinal and indispensable elements of the general Polish settlement.

The point which the Germans lay most stress on, perhaps, is the question of Upper Silesia, and perhaps that is a question on which it is better——

COLONEL HOUSE: (Interrupting) They ask for a plebiscite there, and following that plebiscite, what in your opinion would be the result?

DR. LORD: My opinion is that it would result favorably to Poland—I have very little doubt about that—if it could be arranged under conditions that would ensure a fair expression of the popular will.

I cannot forbear, however, laying before you the very great practical difficulties in the way of that. I think everyone recognizes that a plebiscite in German territory cannot be held while the territory is occupied by German troops and by German officials. Just at present, in spite of the republican government of Germany, they are having a veritable reign of terror in Upper Silesia which is as bad as anything that went on under the Imperial Government, and such a state exists there that they have been arresting every prominent Polish leader; they have been placing people on trial charged with being guilty of

high treason for the crime of having made speeches in favor of union with Poland, or collecting money in favor of Polish national causes.

So, under present conditions it is impossible to have a fair plebiscite. You would have to occupy the country with Allied troops, and I wonder whether the Allied and Associated Governments are prepared to do that. Consequently, even under those present conditions there is this difficulty about a plebiscite.

Upper Silesia is a country where a very great part of the land and a great part of the industries of the country are in the hands of a very small group of great magnates. There is such a concentration of property in the hands of a few great families as you find almost nowhere else in Germany. They are in the hands of such families as the Hohenlohe, von Pless, and half a dozen others. And then the great industries of the country are also controlled by German capital. It means that the Polish population is economically, without a doubt, in great dependence upon German land owners and capitalists, and as the experience of every election that comes from that country shows, it is extremely difficult for them to vote as they please without ruining their chances of a livelihood. I can think of few countries where the countryman finds it so dangerous to express his opinion at the polls.

As for the other general fact about the Upper Silesian situation, the part of Upper Silesia which the treaty proposes to give to Poland has a ratio of Polish majority of two to one, and in fact, decidedly more than that according to the revision of the German statistics which the British experts have prepared. It comes as near to being indisputably Polish territory as any part of eastern Europe.

The chief value of that territory to Germany, of course, lies in its immense mineral wealth, which is undoubtedly the fact, as their response says that Upper Silesia produces 23 percent of the total coal output of the German Empire, and I think it is something like four-fifths of the production of zinc, and a large part of the production of iron.

It is true that the loss of that territory might be a very serious economic blow to Germany, but I would like to lay before you this other fact that if Upper Silesia contains about one-quarter of Germany's coal output, it contains about three-quarters of the coal output of the territories of Polish nationality, so the loss to Germany on the one hand would also mean that it would be a serious blow and a loss to Poland on the other. Three-quarters of her coal would be a far more decisive thing.

MR. LAMONT: I don't see how that could be a loss to Poland, because she never had it.

THE PRESIDENT: But it is theoretically Polish.

COLONEL HOUSE: That was never a part of Poland, was it?

THE PRESIDENT: Creating a state out of Polish population in some places like Upper Silesia which never constituted a part of ancient Poland, isn't that right, Dr. Lord?

DR. LORD: Not entirely, Mr. President. The German memorandum is an extremely fallacious article in its historical data. It states repeatedly that Upper Silesia belonged to Germany for 750 years, which is not at all true. Upper Silesia was Polish from the beginning; was Polish for several centuries.

THE PRESIDENT: You mean it was part of the Polish state, or only Polish in population?

DR. LORD: Part of the Polish state, and it resulted in there being there a Polish population. It passed from Poland to Bohemia some time in 1500; from Bohemia it passed to Austria in 1600, and it passed to the Germans in 1700; so it belonged to the German state, to the Germans, about 200 years.

MR. LAMONT: It has not belonged to Poland for 400 years.

SECRETARY LANSING: Isn't the real point the question where the coal is used after it is mined? Is it used mainly in Poland to-day?

DR. LORD: No. There was a considerable export to Poland, but in the main the coal was used in eastern Germany, in the region east of Berlin. Now they point

out that a great part of that territory which is wholly dependent on Silesia is going to Poland. Poland and West Prussia do consume a great part of it. A great part of it went to Austria-Hungary also.

SECRETARY LANSING: Where did what is now new Poland get her coal if she did not get it from Silesia?

DR. LORD: Russian Poland got about six million tons a year in the Dombrowka district. There is a coal mining region in Russian Poland and also a smaller coal mining region in Galicia.

SECRETARY LANSING: And German Poland got how much of its coal from this region?

DR. LORD: All of it.

SECRETARY LANSING: How much did they use?

DR. LORD: I cannot give you the exact figures.

SECRETARY LANSING: Approximately?

DR. LORD: I know that in Poland this winter they were practically without coal.

SECRETARY LANSING: Then Poland will get a good deal more coal than she had before, if she gets this area?

DR. LORD: It depends on what you mean by "Poland."

SECRETARY LANSING: I am speaking of this territory that is now embraced in the new boundaries.

DR. LORD: Yes.

SECRETARY LANSING: She would get a good deal more coal?

DR. LORD: Yes.

THE PRESIDENT: After all that is probably susceptible of solution in a different way; by guarantees obtained as to the supply of coal, that is, putting no restrictions on the supplying of coal to Germany.

MR. BARUCH: It is true that the coal and the iron is more or less locked up in the mines of Germany, and, as suggested by you, in the division of this territory it should be guaranteed that the coal and iron should go, anyhow for a number of years until there is a chance for readjustment, to the places it had gone before.

THE PRESIDENT: That no restrictions should be placed on it.

MR. DAVIS: Where it goes naturally. To do that,

under the present treaty Poland has a right to take over all this property, the privately owned property, after the war, which is a rather unusual procedure; while the Germans have developed this, the Polish government can come and purchase all this property and turn it over to Polish citizens.

THE PRESIDENT: They have to pay for it.

MR. DAVIS: That is true, but Germany has to pay for it.

THE PRESIDENT: How do you mean?

MR. SUMMERS: Germany agrees to reimburse her nationals.

THE PRESIDENT: You mean the property can be expropriated?

MR. DAVIS: Not for public use but for private use. In other words, the German government has to pay its citizens for the property which the Polish government wants to take from them.

MR. TAUSSIG: The Polish government may take it from the people who now own it, and the valuation is fixed by the Polish government, without any control or supervision of any kind. I think that is one of the worst provisions of the treaty.

MR. PALMER: That is one of the unexpected results of the application of the general clauses to a case with which we have not been concerned at all. The general committee on Alien Enemy Property hadn't anything to do with Alsace-Lorraine or Poland, which we understood were to be covered by different clauses entirely—as took place in the case of Alsace-Lorraine. It is astonishing to me that there should exist in Silesia any such effect as has been outlined, and I think Silesia ought to be treated by itself. A large territory like that should have its own special clauses covering it, because this particular language which we have adopted for application under totally different circumstances, has an unexpected effect.

THE PRESIDENT: That had escaped my notice.

MR. PALMER: I am not sure that it has that result, Mr. President, but if it has, it should be provided for.

MR. BARUCH: The economic feature of the Silesian

question should be taken up and have special treatment as regards the distribution of the assets, and also the questions of private property and other matters of that kind, and I think that it does require and is entitled to special treatment.

MR. DAVIS: It is not supposed that the Polish government should take that——

THE PRESIDENT: That is not in the Polish part of the treaty.

MR. DAVIS: It is not in the Polish part, Mr. President. Poland has been construed in this treaty as one of the Allied Governments. It is in the economic clauses.

MR. TAUSSIG: Poland figures as one of the Allied and Associated Powers, and in drafting those provisions of the Allied and Associated Powers, I don't believe that it was expected that it would be a constituted state, figuring in every respect as a duly constituted Allied and Associated Power, but they had it in the treaty draft. I do not think, Mr. President, there would be any serious difficulty in disposing of that problem. I think the disposition of the German property, after it came under Polish jurisdiction, would not be difficult. I think it is more a matter of sentiment. The sentimental features of it are more important,—the fact of depriving the Germans of property which has been German for many centuries presents a more serious difficulty; there is a sentimental difficulty on both sides.

THE PRESIDENT: Now is there not in Paris some Polish representative with whom you could discuss these economic aspects of the matter at once so as to see if there is not some arrangement that would not be so objectionable in regard to raw materials, and this matter of expropriation?

MR. BARUCH: This might affect reparations, Mr. President. This property that is taken over by the Polish government, that is not to be held under the economic clauses.

SECRETARY LANSING: I want to ask another thing in connection with the Polish coal supply. Northeast of Teschen there is a large area which I understand is coal

bearing and undeveloped which will come to Poland. Is that correct?

DR. LORD: In the northeastern part of Teschen?

THE PRESIDENT: No.

SECRETARY LANSING: Northeast of Teschen.

THE PRESIDENT: It does not mean the Teschen coal basin. As they show the area on the map I should think it is about one-fifth of a large coal area that extended northeastward into Poland. Is that well established that there is a large coal bearing region there in Poland that is undeveloped?

DR. LORD: There is a considerable area, in Galicia especially, where I think they expect a large development. In general this coal area comes just at the intersection of the old frontiers of Austria, Russia and Prussia. The basin is divided between the three powers, most of it being on the Prussian side, all of it being in Polish territory with very slight exceptions, and the undeveloped parts are mainly towards the east, in Austria, and, to a very slight extent, in what was formerly Russian territory.

SECRETARY LANSING: About one-twelfth of that area is developed. I do not mean to say one-twelfth of the wealth, but one-twelfth of the area.

. . . . . .

THE PRESIDENT: The other most prominent subject is the subject of the occupation of the Rhenish Provinces for five, ten and fifteen years. And I say in the same confidential way that I indicated a moment ago, that Mr. Lloyd George represented his military advisers and his cabinet as all together a unit that the period of occupation should extend over a period of only two years, with a possibility of extending it further in case the Germans refused to carry out the terms of the treaty, or in any deliberate way failed to carry out the terms. That creates a very serious impasse between the British and French opinion.

If I may just say a word of explanation, the French military opinion, as it has been interpreted to me, does not believe that the fifteen-year occupation is in any way

satisfying. As I understand it, Marshal Foch wanted to occupy the Rhenish provinces for thirty years, the probable period of payment of reparation, and it was a compromise, I infer, which reduced it to fifteen years. And they have made an arrangement under which this interesting comment has been made, that the areas of occupation, one for five, one for ten and one for fifteen years,—all abutting on the Rhine, of course—extend in a line northwest and southeast, not east and west, and the reason given me for that was that extending that way they would always protect the direct route from Germany to Paris. But the direct route is not the route that is at all likely to be taken.

The route that has usually been taken, and that was taken this time, is the northern route, across which lies the area which is to be first evacuated, and the territory next most likely to be used, from a military point of view, is to be evacuated in ten years, and the territory which would certainly not be used is to be evacuated in fifteen years. And the intimation was that the real object was the control of the navigation of the Rhine. That is the last area, and all this occupation touches, of course, Lorraine and the commercial interests of France that center on the Rhine.

So that the question of occupation has this drawback to it: it is not strictly speaking a military question, apparently. It is a means of quieting public opinion during the period that Germany is certainly not going to be able to do anything in a military line, and withdrawing their forces just at about the time when she is likely to recuperate, which is not, if I am stating it correctly, a military proposition at all.

And another very serious drawback to it—at least from the point of view of several of the powers, on reparations—is that Germany is to pay for this Army of Occupation, and it would cost several hundreds of millions to maintain it, and those millions would come out of the reparations, and if you have a fixed sum—not otherwise—it would be that much in addition to the French portion of the reparations, because everyone contends that the Army of Occupa-

tion will be French. They would not expect Great Britain and ourselves to furnish more than some small number that would be sufficient to keep the colours afloat and justify the name of an inter-allied force.

So I do not know who it calls for to discuss it, if I am right that it is not strictly a military question, and if it is a civil question it is a question involving many embarrassments, chiefly embarrassments of French public opinion.

But I would be very glad if the military people would fire away at it if they have anything to say.

COLONEL HOUSE: How serious is this republic that they have formed there?

THE PRESIDENT: I don't know how serious it is.

COLONEL HOUSE: You see if that would get agoing that would settle that question, because that is what they asked for.

THE PRESIDENT: I don't believe it is at all genuine—I mean spontaneous. I would be very suspicious of it in the present circumstances.

COLONEL HOUSE: Yes, I think it is an imposture.

THE PRESIDENT: Yes, I know it is.

GENERAL BLISS: Mr. President, I would like to say one word on that subject. I think as you just stated, it is almost entirely a political question rather than a military one, because no essential military objects will be accomplished by the military occupation of the territories proposed to be occupied under the proposed conditions. And I have never been in favour of the prolonged military occupation and I base my views on two considerations: the first is the matter of good sound policy, and the other sound business.

As a matter of policy I have always—and a good many other military men agree with me on that—looked with apprehension on the possibilities of a military occupation of a territory, the people of which we will be officially at peace with for a long time. It is so likely to result in incidents that will bring about the very thing that we want, of course, to avoid, and that is a resumption of war. It has always seemed to me that it is almost a slap in the

face of the League of Nations, in which we are all so interested, to assume that the execution of this treaty, extending over a long term of years, can only be accomplished by a military force instead of by this League of Nations, which presumably at an early date will be in operation.

Then you have yourself pointed out the reason why it is not sound business.

Mr. Ribot in the speech that he made in the French Senate the other day used figures which I have no doubt are exaggerated, but they still, after making a due allowance for exaggeration, indicate a wasteful amount of money that would be simply eaten up in the collection of the remainder, and he estimated that out of the first 25 milliards of francs that would come from Germany, partly to the French and partly to the Belgians, at least 15 milliards of it would be eaten up in the expense of the army of occupation. I think that figure is exaggerated, and he probably assumes a continuance of an army of occupation approximating the present force there, which now numbers a million men—a grossly exaggerated and unnecessary number for any purpose that it is agreed it may be called upon to accomplish.

The Marshal's demand is that after the signature of peace there be maintained an army of thirty infantry divisions, and not to exceed five cavalry divisions, which, together with all the attached services, would amount to somewhere in the neighbourhood of 600,000 men. It is not enough for war, on the supposition that Germany could resume the war—which she cannot do—and it is entirely unnecessary on the assumption that she cannot resume the war. He proposes to keep that army there during the period of disarmament in Germany. Now no one knows how long that will be. The Germans in their reply have said that it is technically impossible to execute the clauses of the treaty on which time limit was imposed, within the time limits imposed; that the time limits should be prolonged, and they say the matter should be subject of negotiations. And in the Marshal's office yesterday afternoon in the conference which we had, it was agreed

by all that it was absolutely impossible to comply with the terms, so far as the time limits are concerned.

THE PRESIDENT: Did the French agree to that?

GENERAL BLISS: Oh, yes. Now how long that will continue, nobody knows. But during its continuance, during all this period, military control of commissions will be kept in operation, which will also be contributing to the diminution of the available funds that they get out of Germany for reparations and otherwise.

Now those who have read the German counter-proposals on the subject of military, naval and air terms, know that they accept everything in principle subject to their admission into the League of Nations, and in regard to this term of occupation—whatever it be—if Germany is at any time to be admitted into the League of Nations, certainly that occupation in Germany must cease the moment she is so admitted. It would be intolerable, and there is no provision in any part of the Covenant for the occupation of territory of a nation which has been accepted into membership in the League of Nations, which acceptance is only done after you are satisfied that she has given every guarantee to comply with the League's obligations.

I understand that there has been some consideration given to a very material reduction in the period of occupation, and I hope that it can be carried through, and that whatever that time will be——

THE PRESIDENT: (Interrupting) By whom, General?

GENERAL BLISS: Based on the German proposals, there has been more or less consideration given——

THE PRESIDENT: By the French?

GENERAL BLISS: Well, it has been discussed. I don't think the French are willing to consider it now, but to take not to exceed four months to consider that. It might be prolonged long after that and still come within the limits proposed in the treaty, and I take it if any change is made at all, or if the present figures are kept to five, ten or fifteen years, occupation should cease the moment Germany becomes a member of the League of Nations.

Personally I hope very much that the term of occupa-

tion made by common agreement will be very materially reduced.

THE PRESIDENT: The only door for consideration which Mr. Clemenceau said he was willing to leave open yesterday, was the cost. I was interested to know just what he would consider, and he said at first that he would not consider the reduction of the term of occupation at all, that was impossible for him, and then he subsequently said he would consider it from the point of view of the cost. Now just what and how much that meant I do not know; we did not go into it. But of course that is a very serious side. If they agree to a fixed sum of reparation, then every dollar of what has been spent on occupation is a reduction of that sum.

MR. DAVIS: It goes to support their army.

THE PRESIDENT: It goes to support their army, yes, but they would not otherwise be paid to support so large an army. I don't know how large an army they would otherwise have. Can you tell us, General?

GENERAL BLISS: Under their organic law they would have 800,000 men, and I have not seen nor heard any word from any source nor have I heard of any proposition being before their legislature to modify that.

COLONEL HOUSE: Don't you suppose it would be possible upon these disputed questions, that is, not upon all the German questions, but upon some of them, to appoint committees of the experts and see what modifications, if any, could be made and agreed upon?

THE PRESIDENT: Well, the plan I had in mind was to have our own conference, as we were advised that Mr. Orlando was having his this morning, and Mr. Clemenceau is having his,—in order that we might, without having any of the usual round-about expressions of international intercourse, learn each others' minds, real minds, and then my idea was that each one of our groups would either retire, and they, or some representatives whom they would select, would meet the corresponding groups of the other countries and have an exchange of views.

COLONEL HOUSE: That was what I had in mind.

THE PRESIDENT: Have a clearing house.

COLONEL HOUSE: Wouldn't it modify the general selection if we knew what the commission that Mr. Davis is on is doing?

THE PRESIDENT: John W. Davis?

COLONEL HOUSE: Yes.

MR. JOHN W. DAVIS: I don't know that that commission has any more to do than to recommend the size of the army. All they have to do is to draw up a scheme of the organization of the army and the size.

THE PRESIDENT: That might soften the blow to them.

MR. JOHN W. DAVIS: Yes, make it a little bit less Draconian.

SECRETARY LANSING: Is it possible to fix the time when Germany can be admitted into the League of Nations?

THE PRESIDENT: I don't honestly think it is. I think it is necessary that we should know that the change in government and the governmental method in Germany is genuine and permanent. We don't know either of them yet.

SECRETARY LANSING: When are we going to know? When are you going to get consent from all these countries, from France or the Executive Council?

THE PRESIDENT: I think that France would be one of the first.

MR. DAVIS: Do you think it would if it were conditioned upon withdrawing the Army of Occupation? That is mentioned as a condition upon Germany coming into the League of Nations.

THE PRESIDENT: Except as to Germany paying for the army. I think she would be sick of the Army of Occupation.

MR. DAVIS: She wants to control this from an economic standpoint too.

THE PRESIDENT: But I don't see how they can do that without a proper convention.

MR. DAVIS: We have a convention now, you know, with them, and they are all the time springing the Economic Council, and they do not stand by the convention.

THE PRESIDENT: Convention of what?

MR. DAVIS: Among the Allied and Associated Powers.

THE PRESIDENT: But the convention I am speaking of is the permanent convention, the fifteen-year convention under which there would be no interference with the economic or industrial life of the country whatever.

MR. DAVIS: But now I see there is a convention between the Allied and Associated Powers that there would not be an interference, and the French are not living up to it.

THE PRESIDENT: My only hope is that when we sign peace those things will be settled.

DR. C. H. HASKINS: Is it proper to ask at this time if that Erzberger letter which appeared in the Chicago *Tribune*, Paris Edition, some days ago, is genuine? I ask that because it has a great deal of popular effect as to the attitude of the German government.

THE PRESIDENT: I do not know. I asked that same question myself and did not find anybody who could give me a satisfactory answer.

COLONEL HOUSE: Where did we get it from?

MR. DRESEL: It came from Berne. I think undoubtedly from the Poles there. My private opinion is—and I have studied it very carefully—that it is not genuine. I think that if the language in regard to Poland is carefully studied it would appear more and more as a piece of Polish propaganda. And knowing the probable source from which it came, and the fact that the Poles are still endeavouring to circulate it—it came from our legation only yesterday again, from the Polish legation at Berne, and it got to England and was published there—I can have very little doubt that it is an organized frameup.

COLONEL HOUSE: Can you not get somebody to ask Erzberger directly?

MR. DRESEL: Yes.

THE PRESIDENT: Is it not stated in the *Tribune*—that is the way I got it—that it was supposed to have been an interview in the last——

COLONEL HOUSE: The first of April.

MR. DRESEL: It came through the military about three weeks ago, and then it came again in the *Tribune* yesterday, but we have had it for three or four weeks.

THE PRESIDENT: It is said to be an interview with him, and not a letter?

MR. DRESEL: It was supposed to be a circular sent to the different German authorities. It is not like Erzberger's style, however. I question also whether Erzberger had a right to send out such a circular; it was not within his province. The whole thing was very much out of his province.

. . . . . .

MR. LAMONT: Shall we hear further from you, or go to the Allied groups directly?

THE PRESIDENT: I think it would be better if you would take the initiative and seek a conference.

MR. MCCORMICK: Express a fixed sum?

THE PRESIDENT: Find out if you can get a common agreement. As I was pointing out in the beginning, they (the British) have taken the American position at last, and that is a pretty good position.

MR. HOOVER: Did Mr. Dresel say what points the Germans are most insistent upon the modification of? If we take their reply, they contend as vigorously for things of no moment as for things of great moment.

MR. DRESEL: When I was in Germany more than a month ago the thing that struck me most was the Saar Basin, but that may be because that had come out and the others had not yet come out. They did not know about the eastern Silesian coal mines at that time, but the Saar Basin was the one point on which they laid the most stress. They said they would give up the coal, but did not want to give up the control to France entirely.

MR. HOOVER: I had a consultation, and there are three or four points which they raised most insistently: the fixed indemnity at some sum; the modification of the Saar Basin terms; the period of occupation, and the Silesian coal mines. They seemed to be more insistent upon that than Dantzig.

DR. HASKINS: I got the same impression from reading the German proposals in the original.

SECRETARY LANSING: I think it brings out just those points also.

DR. HASKINS: They raise the question of the colonies also, and ask to be appointed as mandatory.

COLONEL HOUSE: Clemenceau conceded that point, didn't he?

THE PRESIDENT: We have been bearing on this point of the Saar Basin, and we have gotten concessions on other points. Are there any points that anybody would like to raise?

ADMIRAL BENSON: The naval representatives have gotten together on some points, and no change has been made. Of course they do not make any point, except the destruction of the harbours in Heligoland, and the other nationalities think we ought to stand on that and recommend that no change be made in that at all.

THE PRESIDENT: Except for the technical impossibility of carrying out the military terms they do not seem to make any objection to the military terms.

GENERAL BLISS: They base it all on their acceptance into the League, conditioned on their acceptance into the League of Nations.

THE PRESIDENT: Yes, but they do not raise specific points.

GENERAL BLISS: They will not accept the military points unless they are admitted into the League. If they are admitted they will accept, and they undertake to go ahead of the terms in one or two cases.

MR. TAUSSIG: There runs through the German proposals a criticism or complaint that in matters of execution of the treaty there is no consultation at all with the Germans. It lays down that the amount should be fixed by the Allied and Associated governments; that the details should be regulated by the Allied and Associated governments. And they, in a succession of clauses, complain that that was put in with deliberate intent to keep the Germans from giving their views. As the treaty is framed, in a succession of clauses that does appear, and does look as if it is a deliberate attempt to keep Germany from having anything to say upon questions of execution.

They complain about the way the quota or amount of shipping that Germany shall have is to be arrived at; the Kiel harbour shall be commanded by the Rhine Commission, having a larger representation of Frenchmen than Germans.

THE PRESIDENT: Those things, I think, will all work themselves out in operation. But it is necessary to consult the army with regard to them.

MR. WHITE: Another concession which might be made comes under "Ports, Waterways and Railways."

THE PRESIDENT: Are they new points that they raise?

MR. WHITE: Kiel harbour principally.

MR. TAUSSIG: It is an illustrative case.

MR. WHITE: It is an illustrative case. It would take too long to interfere——

THE PRESIDENT: (Interrupting) Mr. Lansing was asking me if I did not think it would be a good idea to ask each of our groups to prepare a memorandum of what might be conceded, and while I do not want to be illiberal in the matter, I should hesitate to say "yes" to that question. The question that lies in my mind is: "Where have they made good in their points?" "Where have they shown that the arrangements of the treaty are essentially unjust?" Not "Where have they shown merely that they are hard?", for they are hard—but the Germans earned that. And I think it is profitable that a nation should learn once and for all what an unjust war means in itself.

I have no desire to soften the treaty, but I have a very sincere desire to alter those portions of it that are shown to be unjust, or which are shown to be contrary to the principles which we ourselves have laid down.

Take the Silesian question, for example: we said in so many words in the documents which were the basis of the peace, that we would make a free Poland out of the districts with Polish population. Now where it can be shown that the populations included in Poland are not indisputably Polish, then we must resort to something like a plebiscite. I agree with Dr. Lord that in the territory like northern Silesia the sincerity of the plebiscite

might be questioned—in fact it might be very difficult to have a plebiscite that was a real expression of opinion, and therefore we would have to go by what we believed was the preponderance of the wishes of the population.

But I believe that where we have included Germans unnecessarily, the border ought to be rectified. Or where we have been shown to have departed from our principles, then we must consider what adjustments are necessary to conform to those principles.

Take Poland's access to the sea. For strategic reasons our Polish experts—the group of Allied experts—recommended a corridor running up to Dantzig and it included some very solid groups of German populations. We determined in that case to leave the Dantzig district to the Germans and to establish a plebiscite.

Where the railway track from Dantzig to Warsaw runs, notwithstanding the capital strategic importance of that railway to Poland, that railway is to remain German if its population votes to remain German.

I think that we have been more successful than I supposed we could possibly be in drawing ethnographic lines, because races are terribly mixed in some parts of Germany where we tried to draw the line. But wherever we can rectify them we ought to rectify them.

Similarly, if the reparations clauses are unjust because they won't work—not because they are putting the heavy burden of payment upon Germany (because that is just) —but because we are putting it on them in such a way that they cannot pay, then I think we ought to rectify that.

I put it this way: We ought to examine our consciences to see where we can make modifications that correspond with the principles that we are putting forth.

SECRETARY LANSING: That is what I say, Mr. President, but I should not confine it to "injustice"; where we have made a mistake I should not say it was an injustice. I should say that where it is something that is contrary to good policy that I do not think that is unjust; I simply think that we made an error, and we ought to correct it. That was my idea of what modifications should be

suggested; not that we would adopt them, but to say whether it was wise to adopt them, so that we would have something in writing, something to work with. It is all in the air now.

THE PRESIDENT: The great problem of the moment is the problem of agreement, because the most fatal thing that could happen, I should say, in the world, would be that sharp lines of division should be drawn among the Allied and Associated Powers. They ought to be held together, if it can reasonably be done, and that makes a problem like the problem of occupation look almost insoluble, because the British are at one extreme, and the French refusal to move is at the opposite extreme.

Personally I think the thing will solve itself upon the admission of Germany to the League of Nations. I think that all the powers feel that the right thing to do is to withdraw the army. But we cannot arrange that in the treaty because you cannot fix the date at which Germany is to be admitted into the League. It would be an indefinite one.

SECRETARY LANSING: Would that be done only by unanimous consent?

MR. HOOVER: The document provides that on two-thirds vote of the Council she should be admitted.

SECRETARY LANSING: But France, being on the Council, would have the decision.

COLONEL HOUSE: I agree with the President: let Germany in, and when she gets in, the other follows.

SECRETARY LANSING: And the army is to be paid for by Germany, because the French nation would not consent to making it so long if they had to pay for it.

COLONEL HOUSE: In a way she has to pay for it. They are going to make Germany pay all she can pay. Every dollar that is taken out for the army is taken away from French indemnities.

THE PRESIDENT: Every man in the French army is taken away from French industries too.

What is necessary is to get out of this atmosphere of war, get out of the present exaggerated feelings and

exaggerated appearances, and I believe that if we can once get out of them into the calmer airs it would be easier to come to satisfactory solutions.

MR. DAVIS: You assume, Mr. President, that the other chiefs of state are instructing their other technical delegations to get together with us in the same way?

THE PRESIDENT: I am assuming it without any right; I am taking it for granted.

COLONEL HOUSE: I don't think it will make any difference. You are doing it anyway.

THE PRESIDENT: Now I hope anybody else who has been convinced by the German arguments will speak up.

MR. HOOVER: Apart from all questions of justice, how far does the question of expediency come in?

THE PRESIDENT: In order to get them to sign, do you mean?

MR. HOOVER: In order to get them to sign. It strikes me that that is a more important thing than the question of justice or injustice, because the weighing of justice and injustice in these times is pretty difficult.

THE PRESIDENT: Yes, nobody can be sure that they have made a just decision. But don't you think that if we regard the treaty as just, the argument of expediency ought not to govern, because after all we must not give up what we fought for. We might have to fight for it again.

MR. HOOVER: But we look at expediency in many lights. It may be necessary to change the terms of the reparation in view of getting something, rather than to lose all. And it is not a question of justice; justice would require, as I see it, that they pay everything they have got or hope to get. But in order to obtain something it may be expedient to do this, that and the other. Much the same might apply to the Saar and the Silesian coal basins.

THE PRESIDENT: I admit the argument that it might be expedient to do certain things in order to get what you are after. But what you mean is the question of expediency in order to obtain the signature?

MR. HOOVER: I would go even further than the point I

mention,—that if it was necessary to alter the Saar and the Silesian terms, that such alteration would not contravene the principles of justice.

THE PRESIDENT: I do not see any essential injustice in the Saar Basin terms.

DR. HASKINS: I believe that everyone feels that the League of Nations has something very real and very important to do. The Saar Basin is something for the League of Nations to do.

THE PRESIDENT: We have removed the only serious element of injustice in that arrangement as it stood. Germany had to pay a certain sum in gold at the end of the period for the mines, or else the plebiscite was of no practical result. France obtained sovereignty over the region. We have altered that.

MR. WHITE: There is still the question of the vote.

DR. HASKINS: There are two or three minor modifications in the clauses that are necessary in the matter of clarity,—Mr. White has raised one of them—where the language did not seem perfectly clear.

THE PRESIDENT: In order to obtain what we intended?

DR. HASKINS: Yes.

MR. DAVIS: It is necessary to get peace as soon as possible. If Europe does not get together, the situation is going to be awful. Our appropriations have run out, practically; in about another month we won't have any money at all.

THE PRESIDENT: We won't have any appropriated money, you mean?

MR. DAVIS: We won't have any money appropriated for that purpose. When real war is not being conducted it is much more difficult to get money. The way people now feel about bonds, it would be difficult to get money. And the sooner they can get something and issue some obligations which these countries can use as a basis of credit, the better off we will be.

MR. WHITE: If we make certain modifications in the financial and economic clauses, would that not be enough, don't you think?

MR. DAVIS: We feel it would, if we can get together on

that. Now whether these other questions are such that Germany will not agree to sign, we don't know. But I mean their reply makes us feel rather hopeful that we can certainly get together on reparations.

THE PRESIDENT: Well, I don't want to seem to be unreasonable, but my feeling is this: that we ought not, with the object of getting it signed, make changes in the treaty, if we think that it embodies what we were contending for; that the time to consider all these questions was when we were writing the treaty, and it makes me a little tired for people to come and say now that they are afraid the Germans won't sign, and their fear is based upon things that they insisted upon at the time of the writing of the treaty; that makes me very sick.

And that is the thing that happened. These people that over-rode our judgment and wrote things into the treaty that are now the stumbling blocks, are falling over themselves to remove these stumbling blocks. Now, if they ought not to have been there I say, remove them, but I say do not remove them merely for the fact of having the treaty signed.

MR. WHITE: Do the French remind you of that?

THE PRESIDENT: Not so much as the British. Here is a British group made up of every kind of British opinion, from Winston Churchill to Fisher. From the unreasonable to the reasonable, all the way around, they are all unanimous, if you please, in their funk. Now that makes me very tired. They ought to have been rational to begin with and then they would not have needed to have funked at the end. They ought to have done the rational things, I admit, and it is not very gracious for me to remind them —though I have done so with as much grace as I could command.

MR. DAVIS: They say that they do not quite understand why you permitted them to do that.

COLONEL HOUSE: So they say you are responsible for their doing it.

THE PRESIDENT: I would be perfectly willing to take the responsibility if the result is good. But though we did not keep them from putting irrational things in the

treaty, we got very serious modifications out of them. If we had written the treaty the way they wanted it the Germans would have gone home the minute they read it.

Well, the Lord be with us.

Thereupon, at 1.15 P. M., the meeting adjourned.

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DOCUMENT 69.

Letter of General Tasker H. Bliss to President Wilson, June 6, 1919, making "A Brief Analysis of the German Proposals on the Military Terms of the Draft Treaty" (autographed original).

AMERICAN COMMISSION TO NEGOTIATE PEACE.

Hotel de Crillon, Paris,
June 6th, 1919.

DEAR MR. PRESIDENT:

The following is a brief analysis of the German Counter-Proposals on the military terms of the draft Treaty.

1. Germany accepts the fundamental principles of the military, naval and air terms, subject to the condition that, on the conclusion of Peace, she be admitted with equal rights into the League of Nations.

2. If admitted to the League, she voluntarily waives her equality of rights in the following regards;—she agrees to disarm *at once* and to abolish universal military service provided the other States of the League undertake, within *two years* from the conclusion of Peace, to also disarm and abolish universal military service.

3. In agreeing to reduce her armed forces to the number required by the Treaty, she asks that a transition period be granted to her, to be arranged by a Special Convention and, if necessary, confirmed by the League of Nations, during which period she may maintain such armed forces as may be shown to be necessary and are agreed upon in order to preserve internal order "which," she says, "is at present seriously shaken."

4. In the League, she demands the right conceded to every other member to organize and arm such forces as the League permits her to have according to her judgment.

5. On condition of admission to the League, she agrees to the provision for dismantlement of certain fortresses and the establishment of the zone which is to remain unoccupied by military forces.

6. With reservation as to necessary financial measures, Germany agrees to surrender not only the force specifically required by Article 185 of the Treaty, "but also all ships of the line."

7. She says that the time-limits imposed for the execution of certain clauses are technically impossible of observance and their necessary prolongation must be the subject of negotiation. This also applies to the conversion of war material released from the army and navy to peaceful, and especially to economic, objects.

8. As regards aërial navigation, she accepts any limitations to which all members of the League are subjected and will grant equal and reciprocal rights to these members as regards flight over and landing upon German territory.

9. In regard to many unmentioned details connected with the foregoing she proposes immediate verbal negotiations.

COMMENTS.

Paragraph 1 above.

It seems to be the general opinion that Germany will be far less a menace to the peace of the world if she is inside rather than outside of the League. If the question of the future status of Germany with respect to the League were a matter for present decision by the Council of the Powers, I should venture to suggest the following for consideration.

It seems to me to be good policy to avoid, as far as possible, anything which continues the status of Germany as that of a *probable* enemy for an indefinite time after the signature of peace. Therefore, while it is proper to deny her admission into the League of Nations until she has indicated her good faith, it might be wise to tell her the conditions under which we shall decide whether or not she is showing good faith.

The terms of the Treaty may, broadly, be divided into two general classes. The first class includes those terms the object of which is to put Germany in such a position of military weakness as will enable us to enforce (if she should secretly intend not to act in good faith) the other class of terms. If Germany faithfully executes this first class of terms, it seems to me that it is reasonable evidence of her good faith in complying with all the other terms.

It might, therefore, not be unwise to say to Germany that on the complete execution of all the military, naval and air terms, she will be admitted into the League.

Paragraph 2 above.

If this proposal could be agreed to, it would bring the world at once into near sight of assured and continued peace.

Paragraph 3 above.

This proposition has a better basis of sound sense than the one to fix an arbitrary figure to last an indefinite time although we should feel sure that this figure is too small at present and too large for the future. The maintenance of the peace of Europe depends upon the establishment and continuance of a stable and orderly government in Germany. While the present forces of disruption are at work, it is the general opinion that the military force proposed in the Treaty to be left to Germany is too small for the present. Yet, if we fix in the Treaty a military force for Germany, it can only be modified subsequently by having the Treaty provide for a subsequent convention to pass upon the question. This is, in reality, the substance of the German proposition. Of course it all depends upon whether the Powers will agree to take into consideration at the end of two years the proposition for their own disarmament and abolition of universal military service. If they refuse to do this while Germany, on the other hand, proposes to immediately disarm and abolish military service, I am afraid that it puts Germany

in a better light as regards her intention to abolish militarism than it does the Powers.

In short, if there could only be some satisfactory agreement as to a definite time for the admission of Germany into the League, on the fulfillment of such conditions as will establish her good faith, there should be no difficulty about the military, naval and air terms. If it be a fact that there is a considerable element in Germany now looking towards and striving for better things, their hands will be strengthened by liberality of treatment on this subject,—a liberality which will not in the slightest degree prejudice the fulfillment of the other clauses of the Treaty and which, on the other hand, will probably assure their more exact fulfillment.

Cordially yours,
TASKER H. BLISS.

THE END

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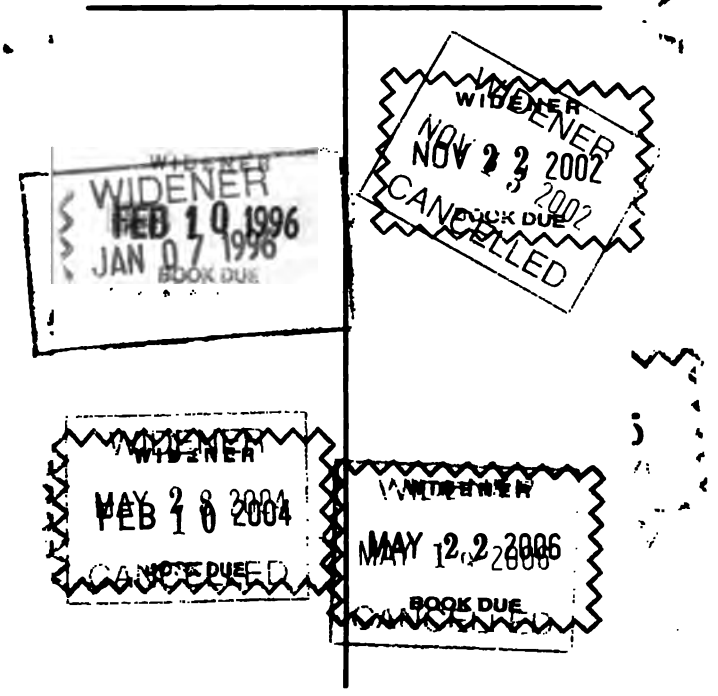
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